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Annual Financial Report

County of Stanislaus, California

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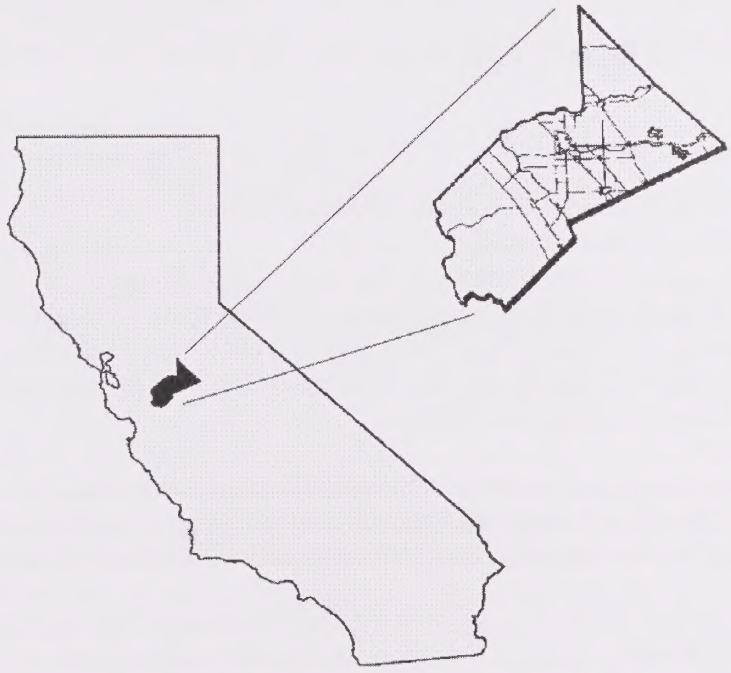
Stanislaus County

Striving to be the Best

Fiscal Year Ended June 30, 2011

Annual Financial Report

County of Stanislaus, California
Fiscal Year Ended
June 30, 2011



Prepared By
Stanislaus County Auditor-Controller's Office
Lauren Klein, CPA, Auditor-Controller

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2011

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COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2011

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Stanislaus
County
Striving to be the Best

Financial Section

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors
of the County of Stanislaus, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Stanislaus County Employees Retirement System. Those financial statements were audited by other auditors whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for Stanislaus County Employees Retirement System, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

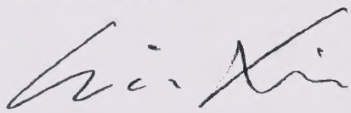
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Children and Families Commission, Behavioral Health and Recovery, and Community Services Agency Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 13 and on page 93, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
February 28, 2012

Management's Discussion and Analysis

COUNTY OF STANISLAUS
Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2011. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2010-2011 fiscal year by $669 million (*net assets)*. Of this amount, $417 million is invested in capital assets net of related debt and $312 million is restricted for specific purpose (*restricted net assets*), leaving a deficit of $60 million in unrestricted net assets.

- The government's total net assets decreased by $5 million.

- As of June 30, 2011, the County governmental funds reported combined fund balances of $423 million, an increase of $3 million from the prior year. Approximately 5% of the combined fund balances, or $20 million is unassigned.

- At the end of the fiscal year, unassigned fund balance for the General Fund was $21 million, or 10% of total General Fund expenditures and transfers.

- The County's total long-term liabilities changed by a net $14 million in fiscal year 2010-2011. The decrease in long-term liabilities is mainly due to the annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. The Redevelopment Agency, Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

For the governmental funds, information is presented separately for the General Fund, Children and Families Commission, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

The governmental funds financial statements can be found on pages 17-31 of this report.

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink and Geer Road Landfills, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County`s internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-92 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 94-105 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $669 million at the close of the 2010-2011 fiscal year.

By far the largest portion of the County's net assets (62%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 558,672,771	$ 537,852,853	$ 50,008,769	$ 50,762,630	$ 608,681,540	$ 588,615,483
Capital assets	468,673,874	481,217,820	25,133,290	25,896,577	493,807,164	507,114,397
Total assets	1,027,346,645	1,019,070,673	75,142,059	76,659,207	1,102,488,704	1,095,729,880
Long-term liabilities outstanding	302,058,649	316,528,255	3,759,065	3,584,059	305,817,714	320,112,314
Other liabilities	87,931,960	68,947,471	39,834,591	42,579,823	127,766,551	111,527,294
Total liabilities	389,990,609	385,475,726	43,593,656	46,163,882	433,584,265	431,639,608
Net assets:						
Invested in capital, net of related debt	393,212,996	397,176,565	24,275,953	24,537,140	417,488,949	421,713,705
Restricted	291,389,268	182,467,381	20,453,722	20,697,693	311,842,990	203,165,074
Unrestricted	(47,246,228)	53,951,001	(13,181,272)	(14,739,508)	(60,427,500)	39,211,493
Total net assets	$ 637,356,036	$ 633,594,947	$ 31,548,403	$ 30,495,325	$ 668,904,439	$ 664,090,272

Another significant portion of the County's net assets, $312 million, or 47% represents resources that are subject to external restrictions on how they may be used. The remaining deficit of $60 million of the County's net assets are unrestricted. The deficit in the County's net assets is partially due to a change in fund balance reporting.

The County's total net assets increased by $5 million during the current fiscal year as revenue exceeded expenses.

For business-type activities, the County reported a negative balance of $13 million in unrestricted net assets compared to a negative balance of $15 million in the prior year. The variance of $2 million from the prior year's unrestricted net assets is partially due to program expenses exceeding program revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental activities Governmental activities increased the County's net assets by $4 million, as the amount of revenues exceeded expenses.

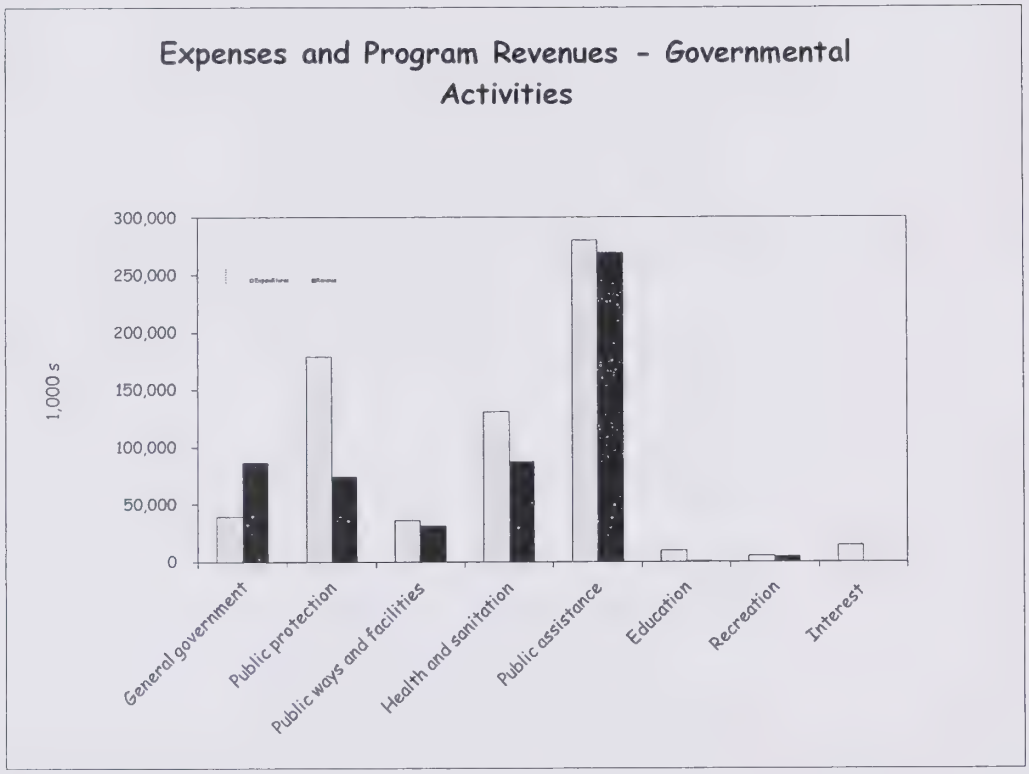
The following table indicates the changes in net assets for governmental and business-type activities:

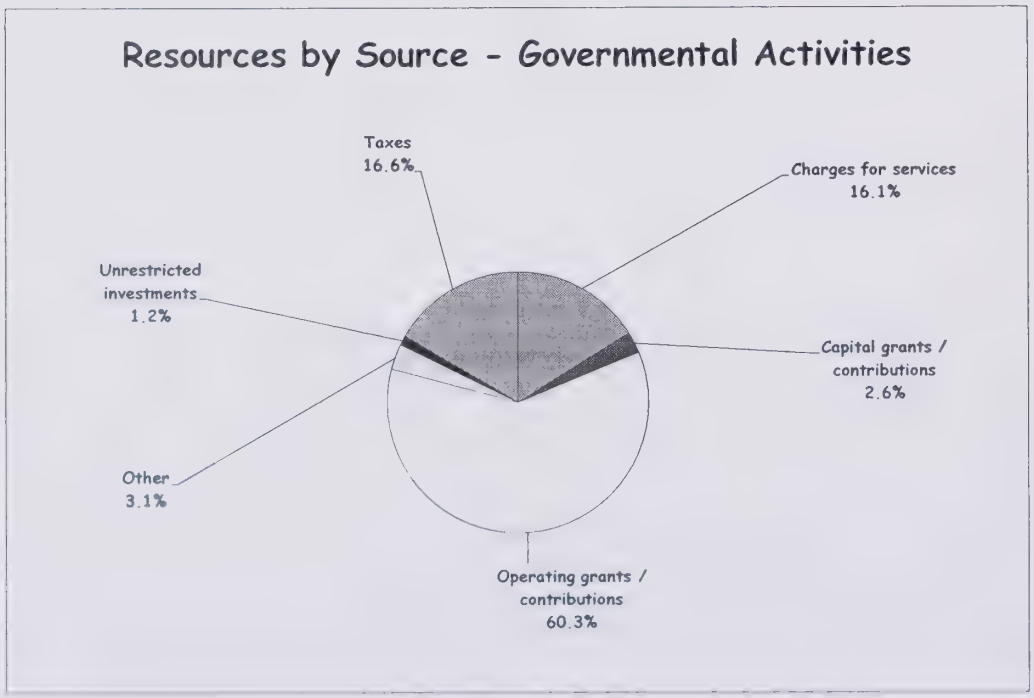
County of Stanislaus Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 113,090,545	$118,616,514	$ 45,516,233	$50,941,929	$ 158,606,778	$ 169,558,443
Operating grants and contributions	422,599,832	415,579,530	1,470,103	1,296,301	424,069,935	416,875,831
Capital grants and contributions	18,457,150	19,331,088		-	18,457,150	19,331,088
General revenues:						
Property taxes	90,486,458	83,397,110			90,486,458	83,397,110
Sales taxes	23,329,577	20,677,876	3,026,730	2,962,729	26,356,307	23,640,605
Other taxes	2,157,019	2,220,643			2,157,019	2,220,643
Unrestricted investment earnings	8,173,086	9,327,724	813,164	95,463	8,986,250	9,423,187
Grants/contributions not restricted	1,005,292	958,324			1,005,292	958,324
Other general revenue	21,020,693	7,719,050			21,020,693	7,719,050
Total revenues	700,319,652	677,827,859	50,826,230	55,296,422	751,145,882	733,124,281
Expenses:						
General government	39,047,915	53,939,423			39,047,915	53,939,423
Public protection	178,821,359	187,171,627			178,821,359	187,171,627
Public ways and facilities	35,995,934	48,937,845			35,995,934	48,937,845
Health and sanitation	130,697,663	123,260,103			130,697,663	123,260,103
Public assistance	280,276,073	280,497,676			280,276,073	280,497,676
Education	9,726,317	12,784,666			9,726,317	12,784,666
Recreation	5,171,457	6,986,331			5,171,457	6,986,331
Interest on long-term debt	14,149,048	16,481,243			14,149,048	16,481,243
Landfills			5,020,344	8,600,496	5,020,344	8,600,496
Behavioral health			-	-	-	-
Health clinics and ancillary			42,109,590	47,269,019	42,109,590	47,269,019
Inmate welfare and commissary			1,344,932	1,820,149	1,344,932	1,820,149
Transit			3,971,811	3,784,351	3,971,811	3,784,351
Total expenses	693,885,766	730,058,914	52,446,677	61,474,015	746,332,443	791,532,929
Net asset increase (decrease) before transfers	6,433,886	(52,231,055)	(1,620,447)	(6,177,593)	4,813,439	(58,408,648)
Transfers	(2,673,525)	(5,250,856)	2,673,525	5,250,856		
Change in net assets	3,760,361	(57,481,911)	1,053,078	(926,737)	4,813,439	(58,408,648)
Cumulative effect of change in accounting principle		2,346,628				2,346,628
Net assets, July 1	633,594,947	688,730,230	30,495,325	31,422,062	664,090,272	720,152,292
Prior Period Adjustment	728				728	
Net assets – June 30	$ 637,356,036	$633,594,947	$ 31,548,403	$30,495,325	$ 668,904,439	$ 664,090,272

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

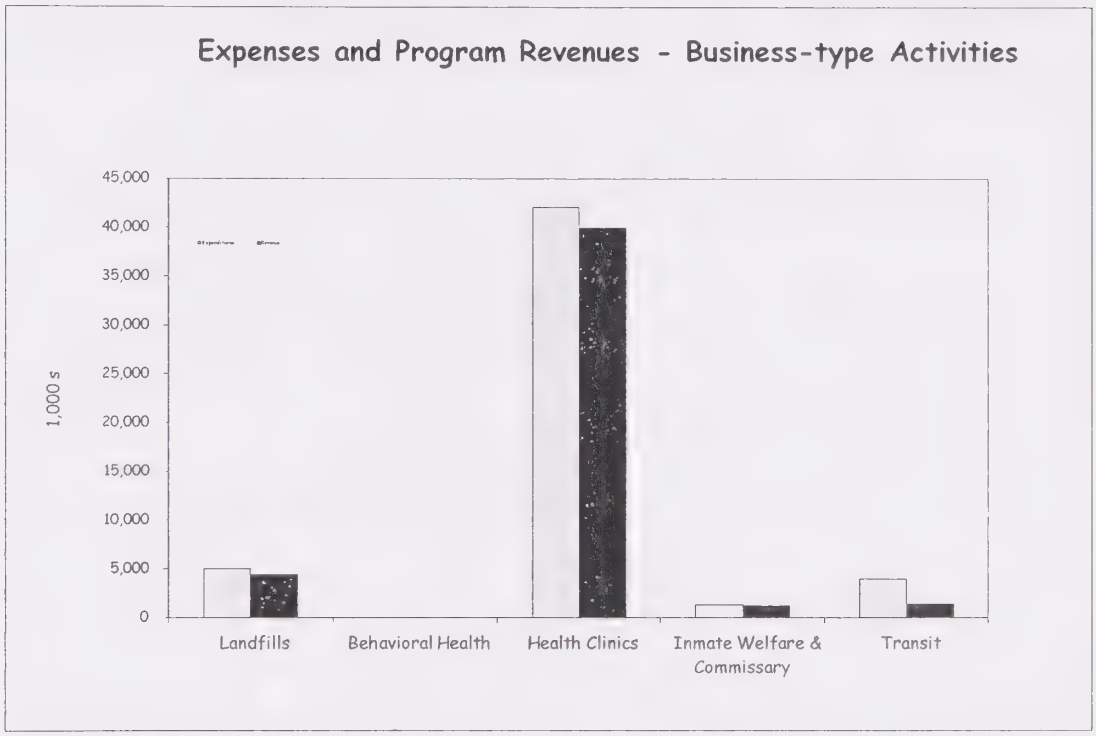
Governmental activities (Cont.)

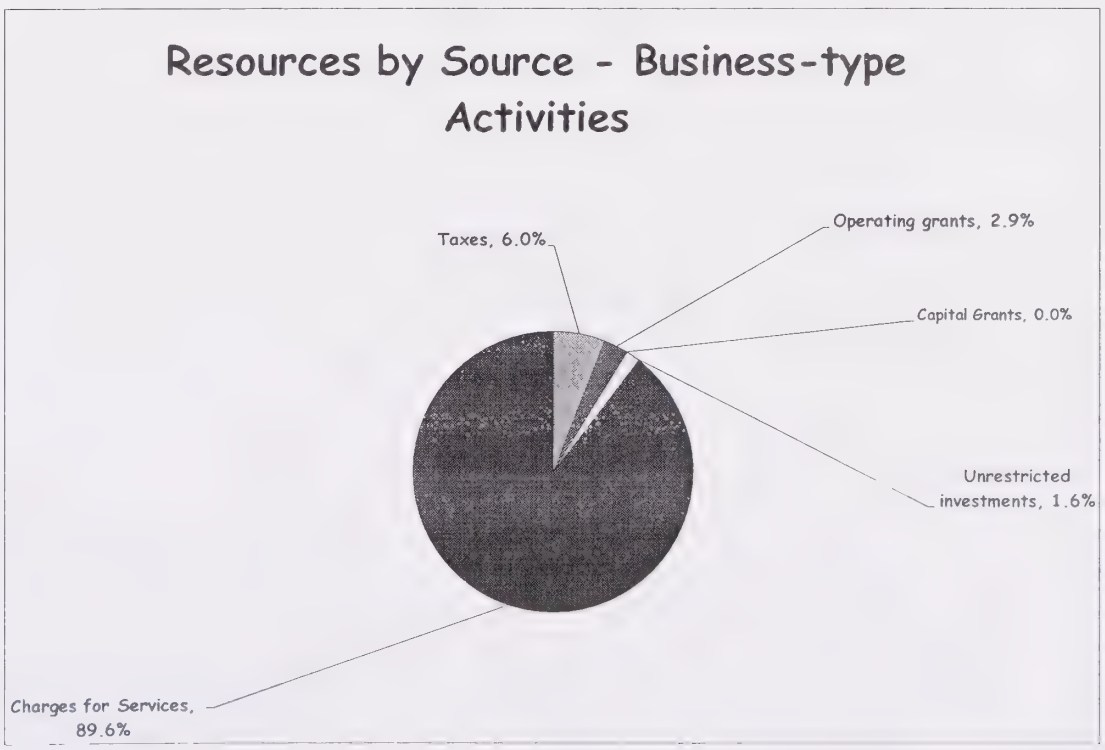




GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Business-type activities





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2011, the County's governmental funds reported combined fund balances of $423 million, an increase of $3 million in comparison with the prior year. The higher fund balance is a result of increased revenues in taxes, fines, forfeitures and penalties, and other general revenue and decreased expenditures.

Approximately 5% ($20 million) of the combined fund balances constitutes *unassigned fund* balance. The remainder of fund balance is categorized as follows:

1) Non-spendable	$ 49 million
2) Restricted	$ 281 million
3) Committed	$ 15 million
4) Assigned	$ 58 million

The General Fund is the chief operating fund of the County. At June 30, 2011, unassigned fund balance of the General Fund was $21 million while total fund balance was $108 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures, including transfers out. Unassigned fund balance represents 10% of total fund expenditures and transfers out, while total fund balance represents 49% of that same amount.

The County assigns (earmarks) fund balance to a particular function, project, activity, or for purposes beyond the current year. However, assigned fund balance is available for appropriation. Of the $108 million total General Fund balance, 47% is assigned. Unassigned fund balance at year-end was $21 million compared to $22 million at June 30, 2010.

The total fund balance of the County's General Fund was consistent with the prior year.

The debt service funds have a total fund balance of $15 million. Most of the debt service fund balance is reserved for debt service payment, consistent with prior years.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	County of Stanislaus Proprietary Funds			
	Major Funds		Non-major	
	Fink Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	Total
Operating revenues	$4,208,445	$ 38,442,792	$1,682,556	$44,333,793
Operating expenses	5,020,343	40,876,831	5,316,743	51,213,917
Operating income (loss)	(811,898)	(2,434,039)	(3,634,187)	(6,880,124)
Non-operating revenues (expenses), net	1,057,333	(77,338)	3,998,225	4,978,220
Net income (loss) before contributions and transfers	245,435	(2,511,377)	364,038	(1,901,904)
Contributions and transfers	(477,171)	3,817,805	429,733	3,770,367
Net income (loss)	$ (231,736)	$ 1,306,428	$ 793,771	$ 1,868,463

GENERAL FUND BUDGETARY HIGHLIGHTS

The County appropriated $4 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. As of June 30, 2011 General Fund actual revenues, based on budgetary basis, were less than budgetary estimates by $887 thousand and expenditures, based on budgetary basis, excluding other financing uses, were $25 million less than budgetary estimates.

During the year, appropriations were increased by a net $2 million resulting in a difference between the original budget and the final amended budget. The significant increase in appropriations was related to the Sheriff's, Agricultural Commissioner's and Parks & Recreation Departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2011, amounted to $494 million compared to $507 million in prior year. This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period decreased from the prior year due to depreciation.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Major capital asset events during the 2010-2011 fiscal year included the following:

- Completed the design-build construction of the Animal Services Facility. Total estimated cost at completion is $8.4 million.
- Initiated construction of the phase III tenant improvements at the Nick W. Blom Salida Regional Library with a total project budget approved of $2.4 million.
- Adopted a project budget of $22.7 million for the construction of the Stanislaus Juvenile Commitment Project which includes the construction of 60 beds.
- Initiated the schematic design for the construction of a 192 bed replacement facility at the Public Safety Center. The total estimated project budget is $12.0 million funded from insurance proceeds from the loss of barrack 1 +2 at the Honor Farm.
- Approved the design for the relocation of the Strategic Business Technology Data Center server room function at the Regional SR 911 Center. The total estimated project budget is $1.8 million which includes backup server, generator, and fire suppression system improvements.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Stanislaus Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and Right of Ways	$ 40,542,091	$ 40,427,688	$15,462,882	$15,462,882	$ 56,004,973	$ 55,890,570
Infrastructure	245,903,556	251,029,444	-	-	245,903,556	251,029,444
Structures and improvements	133,373,081	137,940,406	3,338,364	3,703,413	136,711,445	141,643,819
Equipment	39,665,855	42,469,905	6,292,323	6,662,189	45,958,178	49,132,094
Intangible Assets	3,202,727	-	-	-	3,202,727	-
Construction in progress - Intangible Assets	-	3,308,247	-	-	-	3,308,247
Construction in progress	5,986,564	6,042,130	39,721	68,093	6,026,285	6,110,223
Total	$468,673,874	$481,217,820	$25,133,290	$25,896,577	$493,807,164	$507,114,397

Long-term debt

At June 30, 2011, the County had total long-term debt outstanding of $239 million compared to $255 million as of June 30, 2010. The decrease of $16 million is due to annual debt service payments.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Long-term debt (Cont.)

Stanislaus County's Certificates of Participation rating is an "A+" from Standard & Poor's Corporation and an "A3 with a negative outlook" from Moody's Investors Service.

County of Stanislaus
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Certificates of Participation	$ 75,756,270	$ 83,622,252	$ 194,056	$ 377,416	$ 75,950,326	$ 83,999,668
Bonds Payable	44,420,000	53,785,000			44,420,000	53,785,000
Tobacco Securitization Note	97,718,611	99,268,611			97,718,611	99,268,611
Accreted Interest Tobacco Note	15,674,559	12,241,055			15,674,559	12,241,055
RDA USDA Loan	4,140,000	4,205,000			4,140,000	4,205,000
RDA CalHFA Loan	562,500	562,500			562,500	562,500
Interest RDA CalHFA Loan	82,702	65,827			82,702	65,827
RDA State Water Board Loan	818,120	967,285			818,120	967,285
Total	$ 239,172,762	$ 254,717,530	$ 194,056	$ 377,416	$ 239,366,818	$ 255,094,946

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate in the County for November 2011 was 15.5% compared to 11.3% for the State of California and 8.6% for the nation.
- Median home prices in Stanislaus County remained constant from August 2010 to August 2011. Statewide median home prices decreased 4.2% for the same period.
- Building permits issued in Stanislaus County decreased 43.6% in August 2011 compared to the prior year. Statewide issuance of building permits declined by 15.9% for the same period.
- County departments were allowed to increased fiscal year 2011-2012 appropriations by the amount equivalent to 75% of the savings in fiscal year 2010-2011.
- Assigned fund balance of $15 million is being used to balance the budget for fiscal year 2011-2012.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

Stanislaus
County
Striving to be the Best

Basic Financial Statements

County of Stanislaus
Statement of Net Assets
June 30, 2011

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and investments	$ 325,690,562	$ 12,714,767	$ 338,405,329
Investments with fiscal agent	104,589,030	351,029	104,940,059
Taxes receivable	26,660,811		26,660,811
Accounts receivable	55,877,878	25,276,409	81,154,287
Interest and other receivables	1,931,973	132,138	2,064,111
Deposit with others	500,000		500,000
Deferred charges	2,632,568		2,632,568
Inventory	609,439	213,243	822,682
Prepaid items	335,452	284,337	619,789
Loans to other governments	11,892,716		11,892,716
Internal balances	9,357,867	(9,357,867)	
Restricted cash and investments	3,902,068	20,394,713	24,296,781
Investments - joint ventures	14,692,407		14,692,407
Capital assets: (net of accumulated depreciation)			
Land & Right of Ways	40,542,091	15,462,882	56,004,973
Infrastructure	245,903,556		245,903,556
Structures and improvements	133,373,081	3,338,364	136,711,445
Equipment	39,665,855	6,292,323	45,958,178
Intangible Assets	3,202,727		3,202,727
Construction in progress	5,986,564	39,721	6,026,285
Total capital assets	468,673,874	25,133,290	493,807,164
Total assets	1,027,346,645	75,142,059	1,102,488,704
LIABILITIES			
Accounts payable	38,759,116	2,906,332	41,665,448
Salaries and benefits payable	8,455,874	652,439	9,108,313
Interest payable	2,786,623		2,786,623
Unearned revenue	35,614,368	97,368	35,711,736
Deposits from others	8,920	28,617	37,537
Due to other governments	2,307,059		2,307,059
Payables to external parties		23,064,408	23,064,408
Estimated cost of landfill closure/postclosure		13,085,427	13,085,427
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	6,097,930	490,901	6,588,831
Capital leases - current	293,836	322,461	616,297
Compensated absences - current	1,235,283	119,841	1,355,124
Long-term obligations - current	21,699,076	194,056	21,893,132
Portion due or payable after one year:			
Risk management liability	19,035,418	557,099	19,592,517
Other post-employment benefits (OPEB)	5,373,235	326,097	5,699,332
Capital leases payable	679,782	340,820	1,020,602
Compensated absences	30,170,403	1,407,790	31,578,193
Long-term obligations	217,473,686		217,473,686
Total liabilities	389,990,609	43,593,656	433,584,265
NET ASSETS			
Investment in capital assets, net of related debt	393,212,996	24,275,953	417,488,949
Restricted for:			
Capital projects	102,376,712		102,376,712
Debt service	15,171,296		15,171,296
Other purposes	173,841,260	20,453,722	194,294,982
Unrestricted (deficit)	(47,246,228)	(13,181,272)	(60,427,500)
Total net assets	$ 637,356,036	$ 31,548,403	$ 668,904,439

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 39,047,915	$ 21,461,403	$ 58,808,033	$ 6,197,915
Public protection	178,821,359	39,900,420	34,070,230	356,009
Public ways and facilities	35,995,934	5,782,680	14,918,688	10,835,074
Health and sanitation	130,697,663	34,607,863	52,529,874	55,563
Public assistance	280,276,073	8,130,839	261,355,201	
Education	9,726,317	365,953	398,924	81,763
Recreation	5,171,457	2,841,387	518,882	930,826
Interest and fiscal charges on long-term debt	14,149,048			
Total governmental activities	693,885,766	113,090,545	422,599,832	18,457,150
Business-type activities:				
Landfills	5,020,344	4,208,446	227,907	
Health Clinics & Ancillary	42,109,590	39,625,230	341,517	
Inmate Welfare and Commissary	1,344,932	1,180,418	2,740	
Transit	3,971,811	502,139	897,939	
Total business-type activities	52,446,677	45,516,233	1,470,103	
Total Stanislaus County	$ 746,332,443	$ 158,606,778	$ 424,069,935	$ 18,457,150

General revenues:
- Taxes:
  - Property taxes
  - Property taxes in lieu vehicle license fees
  - Property taxes - unsecured
  - Sales taxes
  - Sales taxes - library
  - Sales taxes - road
  - In lieu sales tax
  - Other taxes
- Franchise fees
- Unrestricted investment earnings
- Miscellaneous
- Net transfers

Total general revenues and transfers

Changes in net assets

Net assets--beginning

Prior period adjustment

Cumulative effect of change in accounting principle

Net assets--beginning, restated

Net assets--ending

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
47,419,436		47,419,436	General government
(104,494,700)		(104,494,700)	Public protection
(4,459,492)		(4,459,492)	Public ways and facilities
(43,504,363)		(43,504,363)	Health and sanitation
(10,790,033)		(10,790,033)	Public assistance
(8,879,677)		(8,879,677)	Education
(880,362)		(880,362)	Recreation
(14,149,048)		(14,149,048)	Interest and fiscal charges on long-term debt
(139,738,239)		(139,738,239)	Total governmental activities
			Business-type activities:
	(583,991)	(583,991)	Landfills
	(2,142,843)	(2,142,843)	Health Clinics & Ancillary
	(161,774)	(161,774)	Inmate Welfare and Commissary
	(2,571,733)	(2,571,733)	Transit
	(5,460,341)	(5,460,341)	Total business-type activities
(139,738,239)	(5,460,341)	(145,198,580)	Total Stanislaus County
			General revenues:
			Taxes:
42,909,544		42,909,544	Property taxes
45,292,718		45,292,718	Property taxes in lieu vehicle license fees
2,284,196		2,284,196	Property taxes - unsecured
11,903,765	3,026,730	14,930,495	Sales taxes
7,200,286		7,200,286	Sales taxes - library
1,193,255		1,193,255	Sales taxes - road
3,032,271		3,032,271	In lieu sales tax
2,157,019		2,157,019	Other taxes
1,005,292		1,005,292	Franchise fees
8,173,086	813,164	8,986,250	Unrestricted investment earnings
21,020,693		21,020,693	Miscellaneous
(2,673,525)	2,673,525		Net transfers
143,498,600	6,513,419	150,012,019	Total general revenues and transfers
3,760,361	1,053,078	4,813,439	Changes in net assets
633,594,947	30,495,325	664,090,272	Net assets--beginning
728		728	Prior period adjustment
			Cumulative effect of change in accounting principle
633,595,675	30,495,325	664,091,000	Net assets--beginning, restated
637,356,036	31,548,403	668,904,439	Net assets--ending

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Children and Families Commission	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments	$ 58,425,814	$ 14,964,434	$	$ 44,944,319	$ 5,200,527	$ 76,202,437	$ 93,556,849	$ 293,294,380
Investments with fiscal agent			92,654,472				11,934,558	104,589,030
Taxes receivable	26,660,811							26,660,811
Accounts receivable	13,705,352	1,052,466	2,404,051	10,494,796	11,657,237		15,778,530	55,092,432
Interest and other receivables	439,488	47,080	835,309	130,190	15	227,816	174,429	1,854,327
Inventory							420,428	420,428
Due from other funds	12,218,057			527,651	804,711		2,401,393	15,951,812
Loans to other governments	4,396,259		7,475,978				20,479	11,892,716
Advances to other funds	100,000							100,000
Prepaid items	216,186			2,622			114,394	333,202
Restricted cash and investments	3,902,068							3,902,068
Total assets	$ 120,064,035	$ 16,063,980	103,369,810	$ 56,099,578	$ 17,662,490	$ 76,430,253	$ 124,401,060	$ 514,091,206
Liabilities and fund balance								
Liabilities								
Accounts payable	$ 4,564,406	$ 9,818,332		$ 12,148,621	$ (2,242)	$	$ 11,072,873	$ 37,601,990
Salaries and benefits payable	3,518,393	20,431		899,361	1,773,303		2,120,219	8,331,707
Sales tax liability					2,445		304	2,749
Interfund payable								
Due to other funds	1,868,703			21,005		1,143,681	3,560,557	6,593,946
Due to other governments					2,307,059			2,307,059
Deposits from others	8,920							8,920
Deferred revenue	1,835,183		835,309	19,602,505	12,891,367		1,312,129	36,476,493
Advances from other funds							100,000	100,000
Total liabilities	11,795,605	9,838,763	835,309	32,671,492	16,971,932	1,143,681	18,166,082	91,422,864
Fund balance:								
Non-spendable	25,176,757	455,735		1,311,243	25,427	682,723	21,072,171	48,724,056
Restricted	3,902,067	5,769,482	102,534,501	12,653,234	665,131	74,603,849	80,730,927	280,859,191
Committed	7,360,782			6,222,935			1,451,022	15,034,739
Assigned	51,067,462			3,240,674			3,587,532	57,895,668
Unassigned								
General fund	20,761,362							20,761,362
Special revenue funds							(606,674)	(606,674)
Total fund balance	108,268,430	6,225,217	102,534,501	23,428,086	690,558	75,286,572	106,234,978	422,668,342
Total liabilities and fund balance	$ 120,064,035	$ 16,063,980	$ 103,369,810	$ 56,099,578	$ 17,662,490	$ 76,430,253	$ 124,401,060	$ 514,091,206

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Total fund balances for governmental funds (page 17)		$ 422,668,342
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 40,542,091	
Intangible Assets - Internally Generated Software	543,285	
Infrastructure	245,903,556	
Structures and improvements	132,620,173	
Equipment	32,005,912	
Construction in progress	5,986,564	
Total capital assets		457,601,581
Investments - Joint ventures		14,692,407
Internal service funds are used by the County to charge the cost of general liability, unemployment, worker's compensation, dental, vision, & purchased insurance plus Central services, Fleet services, Technology & communication and Morgan shop garage to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.		17,817,044
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.		862,126
Costs of issuance that benefit future periods are recognized as expenditures in the funds.		2,632,568
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.		
Balances at June 30, 2011 are:		
Certificates of participation	(75,756,270)	
Bonds payable and Loans	(50,023,322)	
Tobacco securitization notes	(113,393,170)	
Capital leases	(963,184)	
Accrued interest on long term debt	(2,786,623)	
Other post-employment benefits (OPEB)	(5,273,143)	
Compensated absences	(30,722,320)	
Total long-term liabilities		(278,918,032)
Net assets of governmental activities (page 14)		$ 637,356,036

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Children and Families Commission	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	$ 101,614,111	$	$	$	$	$	$ 14,409,995	$ 116,024,106
Licenses, permits and franchises	1,810,385				77,242		1,459,008	3,346,635
Fines, forfeitures and penalties	10,084,654			143,578			3,874,027	14,102,259
Revenue from use of money and property	2,945,563	171,260	4,870,111	674,977	796	832,935	1,455,952	10,951,594
Intergovernmental	60,240,066	5,852,366		36,473,006	191,796,031		143,559,522	437,920,991
Charges for services	39,032,747			22,050,613	1,486,112	1,672,917	32,476,930	96,719,319
Miscellaneous	762,804	(61,850)		982,124	818,851	21,098	18,235,628	20,758,655
Donation	38,910			6,393	45,135		97,614	188,052
Total revenues	216,529,240	5,961,776	4,870,111	60,330,691	194,224,167	2,526,950	215,568,676	700,011,611
EXPENDITURES:								
Current:								
General government	31,587,531	589,884					22,532	32,199,947
Public protection	123,614,495			997,188			40,369,590	164,981,273
Public ways and facilities	260,368						32,892,249	33,152,617
Health and sanitation	7,231,484	15,631,149		62,216,349			43,264,279	128,343,261
Public assistance	340,184				199,106,177		78,932,895	278,379,256
Education	351,598	69,126					8,019,120	8,439,844
Recreation and cultural service	4,428,990						718,490	5,147,480
Capital outlay						58,463	13,935,367	13,993,830
Debt service:								
Interest and fiscal charges	64,432			10,969	20,981		10,123,735	10,220,117
Principal	862,712			30,948	143,008		18,850,805	19,887,473
Total expenditures	168,741,794	16,290,159		63,255,454	199,270,166	58,463	247,129,062	694,745,098
Excess revenues over (under) expenditures	47,787,446	(10,328,383)	4,870,111	(2,924,763)	(5,045,999)	2,468,487	(31,560,386)	5,266,513
OTHER FINANCING SOURCES (USES)								
Capital lease proceeds	174,715			35,103	153,893			363,711
Transfers in	6,372,574	-		7,256,747	6,478,695		54,798,913	74,906,929
Transfers out	(52,489,510)	(19,612)	(2,317,094)	(943,049)	(2,052,225)	(14,441,565)	(5,083,005)	(77,346,060)
Sale of capital assets	6,753			1,464	24,269		41,495	73,981
Total other financing sources (uses)	(45,935,468)	(19,612)	(2,317,094)	6,350,265	4,604,632	(14,441,565)	49,757,403	(2,001,439)
Net change in fund balances	1,851,978	(10,347,995)	2,553,017	3,425,502	(441,367)	(11,973,078)	18,197,017	3,265,074
Fund balance -- beginning	106,416,452	16,573,212	99,981,484	20,002,584	1,131,925	87,259,650	88,037,233	419,402,540
Cumulative effect of change in accounting principle								
Prior period adjustment							728	728
Fund balance at beginning of year, as restated	106,416,452	16,573,212	99,981,484	20,002,584	1,131,925	87,259,650	88,037,961	419,403,268
Fund balances -- ending	$ 108,268,430	$ 6,225,217	102,534,501	$ 23,428,086	$ 690,558	$ 75,286,572	$ 106,234,978	$ 422,668,342

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Net change in fund balances - total governmental funds (page 19)		$ 3,265,074
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets and infrastructure	$ 27,498,124	
Less current year depreciation	(37,292,739)	(9,794,615)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets		(4,084,317)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		34,692
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets		(363,711)
Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.		
Repayments:		
Certificate of participation	7,721,640	
Other long-term debt	11,112,290	
Capital lease	1,074,236	
Amortization of issuance premium	144,343	20,052,509
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other post-employment benefits (OPEB)	$ (1,033,396)	
Change in investment in joint ventures	183,677	
Change in accrued interest payable	577,998	
Change in Tobacco accreted interest payable	(3,433,503)	
Change in compensated absences	(1,405,809)	
Change in deferred charges	(163,423)	(5,274,456)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		(74,815)
Change in net assets of governmental activities (page 16)		$ 3,760,361

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Revenues:				
Taxes	$ 101,798,000	$ 101,798,000	$ 101,614,111	$ (183,889)
Licenses, permits and franchises	1,654,200	1,654,200	1,810,385	156,185
Fines, forfeitures and penalties	10,443,500	10,478,500	10,084,654	(393,846)
Revenue from use of money and property	4,105,516	4,245,516	2,945,563	(1,299,953)
Intergovernmental revenue	58,331,609	59,130,005	60,240,066	1,110,061
Charges for services	38,727,738	39,203,904	39,032,747	(171,157)
Miscellaneous revenue	835,290	906,026	801,714	(104,312)
Total revenues	215,895,853	217,416,151	216,529,240	(886,911)
Expenditures: General				
Assessor				
Salaries and employee benefits	5,072,641	5,072,641	4,910,694	161,947
Services and supplies	539,017	539,017	524,042	14,975
Other charges	175,450	175,450	170,195	5,255
Expenditure transfer	127,274	127,274	107,112	20,162
Total expenditures	5,914,382	5,914,382	5,712,043	202,339
Auditor-Controller				
Salaries and employee benefits	3,795,895	3,732,495	3,507,903	224,592
Services and supplies	223,652	223,652	23,287	200,365
Other charges	142,720	142,720	132,607	10,113
Expenditure transfer	13,570	76,970	72,513	4,457
Total expenditures	4,175,837	4,175,837	3,736,310	439,527
Board of Supervisors				
Salaries and employee benefits	893,134	893,134	836,447	56,687
Services and supplies	118,500	118,500	116,237	2,263
Other charges	22,170	22,170	21,703	467
Expenditure transfer	37,910	37,910	32,269	5,641
Total expenditures	1,071,714	1,071,714	1,006,656	65,058
Chief Executive				
Salaries and employee benefits	5,079,358	5,048,358	4,906,567	141,791
Services and supplies	1,973,844	2,083,562	1,216,407	867,155
Other charges	151,270	186,624	186,624	
Expenditure transfer	168,110	154,037	154,037	
Total expenditures	7,372,582	7,472,581	6,463,635	1,008,946
Economic Development				
Services and supplies	119,860	119,860	(46,766)	166,626
Total expenditures	119,860	119,860	(46,766)	166,626
Purchasing Agent				
Salaries and employee benefits	447,080	408,102	397,589	10,513
Services and supplies	79,781	38,503	(13,398)	51,901
Other charges	20,760	17,616	17,616	
Expenditure transfer	30,891	17,127	17,127	
Total expenditures	578,512	481,348	418,934	62,414

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Risk Management				
Salaries and employee benefits	1,420,858	1,385,858	1,332,699	53,159
Services and supplies	100,925	135,925	106,318	29,607
Other charges	46,100	46,100	44,222	1,878
Expenditure transfer	19,060	19,060	15,611	3,449
Total expenditures	1,586,943	1,586,943	1,498,850	88,093
Capital Improvement Financing Authority				
Salaries and employee benefits	100,000	74,000	73,654	346
Services and supplies	85,041	115,041	100,204	14,837
Other charges	16,670	12,670	11,256	1,414
Total expenditures	201,711	201,711	185,114	16,597
Plant Acquisition				
Salaries and employee benefits	50,000	52,000	44,077	7,923
Services and supplies	1,072,358	769,360	644,068	125,292
Other charges	12,313	12,313	6,899	5,414
Expenditure transfer		21,000	16,672	4,328
Capital assets	468,382	448,382	447,721	661
Total expenditures	1,603,053	1,303,055	1,159,437	143,618
General Fund Contribution to Other Programs				
Other charges	2,777,962	2,907,121	2,907,121	
Total expenditures	2,777,962	2,907,121	2,907,121	
Mandated County Match				
Appropriations for contingencies	1,509,633	1,509,633		1,509,633
Total expenditures	1,509,633	1,509,633		1,509,633
Appropriations for Contingencies				
Appropriations for contingencies	4,649,163	4,259,817		4,259,817
Total expenditures	4,649,163	4,259,817		4,259,817
County Facilities				
Services and supplies	371,588	360,188	34,246	325,942
Other charges	23,840	25,240	22,356	2,884
Expenditure transfer	276,070	286,070	274,952	11,118
Total expenditures	671,498	671,498	331,554	339,944

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Elections Division				
Salaries and employee benefits	885,022	885,022	853,449	31,573
Services and supplies	1,209,653	1,146,799	855,418	291,381
Other charges	37,234	100,088	103,087	(2,999)
Expenditure transfer	128,758	128,758	109,977	18,781
Total expenditures	2,260,667	2,260,667	1,921,931	338,736
County Counsel				
Salaries and employee benefits	2,200,646	2,200,646	1,969,809	230,837
Services and supplies	259,678	259,678	155,617	104,061
Other charges	40,790	40,790	40,220	570
Expenditure transfer	55,230	55,230	47,237	7,993
Total expenditures	2,556,344	2,556,344	2,212,883	343,461
Treasurer and Tax Collector				
Salaries and employee benefits	1,097,660	942,321	875,734	66,587
Services and supplies	352,616	596,433	465,733	130,700
Other charges	136,826	109,252	109,225	27
Expenditure transfer	116,535	55,631	55,631	
Total expenditures	1,703,637	1,703,637	1,506,323	197,314
Revenue Recovery				
Salaries and employee benefits	1,122,125	1,122,125	1,030,944	91,181
Services and supplies	187,937	187,937	141,747	46,190
Other charges	155,448	155,448	66,195	89,253
Expenditure transfer	(622,940)	(622,940)	(519,715)	(103,225)
Capital assets	2,200	2,200	1,740	460
Total expenditures	844,770	844,770	720,911	123,859
Treasury				
Salaries and employee benefits	298,378	298,378	260,814	37,564
Services and supplies	156,582	148,082	84,057	64,025
Other charges	14,280	22,780	21,448	1,332
Expenditure transfer	106,380	106,380	101,449	4,931
Total expenditures	575,620	575,620	467,768	107,852
Facility Maintenance				
Salaries and employee benefits	3,158,499	3,158,499	2,799,068	359,431
Services and supplies	5,584,524	5,689,770	5,166,761	523,009
Other charges	237,490	237,490	195,684	41,806
Expenditure transfer	(5,278,724)	(5,287,045)	(4,678,447)	(608,598)
Total expenditures	3,701,789	3,798,714	3,483,066	315,648
General Services Agency				
Salaries and employee benefits	541,703	541,941	516,154	25,787
Services and supplies	4,130	4,130	4,112	18
Other charges	14,990	14,990	14,661	329
Expenditure transfer	(82,303)	(82,303)	(71,751)	(10,552)
Total expenditures	478,520	478,758	463,176	15,582

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	3,458,129	3,259,849	3,176,884	82,965
Services and supplies	905,895	1,327,775	764,355	563,420
Other charges	200,439	236,689	232,951	3,738
Expenditure transfer	237,960	237,960	229,064	8,896
Capital assets	103,600	103,600	34,805	68,795
Total expenditures	4,906,023	5,165,873	4,438,059	727,814
Office of Emergency Services				
Salaries and employee benefits	786,867	719,048	648,923	70,125
Services and supplies	502,627	623,107	368,197	254,910
Other charges	726,327	707,300	622,153	85,147
Expenditure transfer	72,336	57,822	51,220	6,602
Total expenditures	2,088,157	2,107,277	1,690,493	416,784
County Court Funding				
Salaries and employee benefits				
Services and supplies	192,897	130,897	130,085	812
Other charges	6,048,563	6,136,963	6,136,403	560
Expenditure transfer	407,540	416,140	415,210	930
Total expenditures	6,649,000	6,684,000	6,681,698	2,302
Recorder Division				
Salaries and employee benefits	1,589,578	1,661,378	1,617,668	43,710
Services and supplies	68,320	51,820	50,737	1,083
Other charges	116,960	98,060	88,437	9,623
Expenditure transfer	200,146	163,746	163,655	91
Total expenditures	1,975,004	1,975,004	1,920,497	54,507
District Attorney				
Salaries and employee benefits	11,493,544	11,417,848	10,875,896	541,952
Services and supplies	845,040	1,102,380	854,402	247,978
Other charges	506,850	506,850	490,458	16,392
Expenditure transfer	306,150	306,150	301,236	4,914
Total expenditures	13,151,584	13,333,228	12,521,992	811,236
Planning				
Salaries and employee benefits	1,429,513	1,491,535	1,411,450	80,085
Services and supplies	86,892	40,334	39,422	912
Other charges	51,839	42,226	42,226	
Expenditure transfer	40,590	34,739	34,739	
Total expenditures	1,608,834	1,608,834	1,527,837	80,997
Probation				
Salaries and employee benefits	1,873,951	1,806,951	1,597,796	209,155
Services and supplies	305,660	202,021	85,088	116,933
Other charges	419,990	419,990	34,051	385,939
Expenditure transfer	1,000	1,000		1,000
Capital assets	15,520	15,520	7,000	8,520
Total expenditures	2,616,121	2,445,482	1,723,935	721,547

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Probation - Casework				
Salaries and employee benefits	9,361,360	9,627,999	8,868,453	759,546
Services and supplies	472,922	406,922	353,987	52,935
Other charges	288,730	288,730	275,309	13,421
Expenditure transfer	431,140	431,140	425,844	5,296
Capital assets	55,221	55,221		55,221
Total expenditures	10,609,373	10,810,012	9,923,593	886,419
Probation - Institutions				
Salaries and employee benefits	6,762,522	6,874,702	6,328,856	545,846
Services and supplies	902,973	790,793	703,926	86,867
Other charges	145,050	145,050	140,406	4,644
Expenditure transfer	429,320	429,320	406,685	22,635
Capital assets	63,158	63,158	12,500	50,658
Total expenditures	8,303,023	8,303,023	7,592,373	710,650
Public Defender				
Salaries and employee benefits	5,012,800	5,036,463	5,020,746	15,717
Services and supplies	240,000	290,000	185,472	104,528
Other charges	157,489	157,489	119,662	37,827
Expenditure transfer	297,620	297,620	282,636	14,984
Total expenditures	5,707,909	5,781,572	5,608,516	173,056
Indigent Defense				
Services and supplies	3,412,378	3,389,878	3,389,802	76
Total expenditures	3,412,378	3,389,878	3,389,802	76
Sheriff's Administration				
Salaries and employee benefits	2,957,665	3,092,665	2,995,495	97,170
Services and supplies	645,063	525,063	483,677	41,386
Other charges	211,650	211,650	211,355	295
Expenditure transfer	128,560	113,560	105,770	7,790
Capital assets	7,200	7,200	(32)	7,232
Total expenditures	3,950,138	3,950,138	3,796,265	153,873
Sheriff's Operations				
Salaries and employee benefits	20,613,653	20,540,548	18,913,695	1,626,853
Services and supplies	2,607,848	2,648,777	2,198,968	449,809
Other charges	4,168,993	4,249,729	3,322,280	927,449
Expenditure transfer	(450,749)	(430,749)	(439,091)	8,342
Capital assets	441,067	751,357	507,421	243,936
Total expenditures	27,380,812	27,759,662	24,503,273	3,256,389
Sheriff's Detention				
Salaries and employee benefits	25,035,485	25,465,485	23,735,151	1,730,334
Services and supplies	3,006,149	3,123,149	3,024,024	99,125
Other charges	1,037,903	1,009,903	1,009,258	645
Expenditure transfer	2,298,040	2,069,040	2,068,397	643
Capital assets	170,156	195,156	87,616	107,540
Total expenditures	31,547,733	31,862,733	29,924,446	1,938,287

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Court Security				
Salaries and employee benefits	3,866,689	3,863,689	3,324,897	538,792
Services and supplies	16,010	16,010	10,017	5,993
Other charges	45,555	48,555	47,906	649
Expenditure transfer	84,665	84,665	53,684	30,981
Total expenditures	4,012,919	4,012,919	3,436,504	576,415
Sheriff's Contract Cities				
Salaries and employee benefits	7,479,905	7,584,141	6,945,910	638,231
Services and supplies	365,730	325,422	240,112	85,310
Other charges	1,370,360	1,389,360	1,262,489	126,871
Expenditure transfer	930	31,238	16,016	15,222
Capital assets	6,000	74,424	60,145	14,279
Total expenditures	9,222,925	9,404,585	8,524,672	879,913
Grand Jury				
Salaries and employee benefits	52,491	49,108	46,619	2,489
Services and supplies	18,399	29,239	26,895	2,344
Other charges	4,650	4,650	3,662	988
Expenditure transfer	28,430	28,430	25,330	3,100
Appropriations for contingencies				
Capital assets				
Total expenditures	103,970	111,427	102,506	8,921
Airport				
Services and supplies	205,000	205,000	205,000	
Total expenditures	205,000	205,000	205,000	
CEO Crows Landing Air Facility				
Salaries and employee benefits		42,250	264	41,986
Services and supplies	1,278,228	1,230,978	31,463	1,199,515
Expenditure transfer		5,000	3,856	1,144
Total expenditures	1,278,228	1,278,228	35,583	1,242,645
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	7,600,000	7,292,174	7,231,484	60,690
Total expenditures	7,600,000	7,292,174	7,231,484	60,690

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Assistance				
Veteran's Services				
Salaries and employee benefits	301,441	320,299	305,018	15,281
Services and supplies	28,000	11,282	9,856	1,426
Other charges	15,650	15,029	15,029	
Expenditure transfer	13,930	12,411	12,411	
Total expenditures	359,021	359,021	342,314	16,707
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	233,865	247,668	241,964	5,704
Services and supplies	11,970	7,635	7,157	478
Other charges	25,910	23,274	23,274	
Expenditure transfer	105,982	99,150	99,150	
Total expenditures	377,727	377,727	371,545	6,182
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	2,419,972	2,753,746	2,329,192	424,554
Services and supplies	1,340,143	1,995,143	668,343	1,326,800
Other charges	663,190	845,190	708,991	136,199
Expenditure transfer	481,890	481,890	463,032	18,858
Capital assets	106,799	106,799		106,799
Total expenditures	5,011,994	6,182,768	4,169,558	2,013,210
Expenditures: Recreation and Cultural Services				
Parks - Master Plan				
Services and supplies	490,000	490,000	5,633	484,367
Total expenditures	490,000	490,000	5,633	484,367
Tuolumne River Regional Park				
Services and supplies	173,466	173,466	173,466	
Total expenditures	173,466	173,466	173,466	

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Debt Service				
Debt Service				
Expenditure transfer	(425,563)	(425,563)	(425,559)	(4)
Total expenditures	(425,563)	(425,563)	(425,559)	(4)
Total Expenditures - General Fund	196,669,973	198,532,478	173,564,431	24,968,047
Excess of revenue over expenditures	19,225,880	18,883,673	42,964,809	24,081,136
Other financing sources (uses):				
Capital lease proceeds		174,715	174,715	
Transfers in	5,432,035	6,483,502	6,372,574	(110,928)
Transfers out	(49,102,493)	(49,421,177)	(52,568,964)	(3,147,787)
Sale of capital assets	40,000	40,000	6,755	(33,245)
Total other financing sources (uses)	(43,630,458)	(42,722,960)	(46,014,920)	(3,291,960)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(24,404,578)	(23,839,287)	(3,050,111)	20,789,176
Fund balance – beginning	(95,173,583)	(120,940,818)	104,648,358	225,589,176
Fund balance – ending	$ (119,578,161)	$ (144,780,105)	$ 101,598,247	$ 246,378,352

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Children and Families Commission - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Licenses, permits and franchises				
Revenue from use of money and property	249,178	249,178	171,260	(77,918)
Intergovernmental revenue	6,056,580	6,056,580	5,852,366	(204,214)
Miscellaneous revenue			(61,850)	(61,850)
Total revenues	6,305,758	6,305,758	5,961,777	(343,981)
Public Assistance				
Salaries and employee benefits	727,139	727,139	656,335	70,804
Services and supplies	5,755,084	5,755,084	12,310,407	(6,555,323)
Other charges	3,631,789	3,631,789	3,094,808	536,981
Total Health and Sanitation	10,114,012	10,114,012	16,061,551	(5,947,538)
Total expenditures	10,114,012	10,114,012	16,061,551	(5,947,538)
Excess (deficiency) of revenues over (under) expenditures	(3,808,254)	(3,808,254)	(10,099,773)	(6,291,520)
Other financing sources (uses)				
Transfers out			(19,612)	(19,612)
Total other financing sources (uses)			(19,612)	(19,612)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,808,254)	(3,808,254)	(10,119,385)	(6,311,132)
Fund balance - beginning	16,573,211	16,573,211	16,573,211	
Fund balance - ending	$ 12,764,957	$ 12,764,957	$ 6,453,826	$ (6,311,132)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Behavioral Health and Recovery - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Fines, forfeitures, and penalties	$ 92,579	$ 92,579	$ 143,578	$ 50,999
Revenue from use of money and property	586,216	586,216	674,977	88,761
Intergovernmental revenue	40,487,797	40,771,468	36,473,006	(4,298,462)
Charges for services	20,251,517	20,803,603	22,050,613	1,247,010
Miscellaneous revenue	681,592	681,592	982,124	300,532
Donation	20,241	20,241	6,393	(13,848)
Total revenues	62,119,942	62,955,699	60,330,691	(2,625,008)
Expenditures				
Public Prostection				
Salaries and employee benefits	679,864	679,864	652,664	27,200
Services and supplies	87,104	87,104	55,983	31,121
Other charges	163,242	163,242	162,213	1,029
Expenditure transfer	164,640	164,640	129,076	35,564
Total Public Protection	1,094,850	1,094,850	999,936	94,914
Health and Sanitation				
Salaries and employee benefits	31,871,626	31,499,907	29,162,927	2,336,980
Services and supplies	32,999,563	33,375,756	27,991,857	5,383,899
Other charges	3,839,849	4,836,348	4,762,757	73,591
Fixed assets	841,854	1,091,957	1,103,134	(11,177)
Expenditure transfer	(164,640)	(164,640)	(129,076)	(35,564)
Total Health and Sanitation	69,388,252	70,639,329	62,891,600	7,747,729
Total expenditures	70,483,101	71,734,179	63,891,536	7,842,643
Excess (deficiency) of revenues over (under) expenditures	(8,363,159)	(8,778,480)	(3,560,844)	5,217,635
Other financing sources (uses)				
Transfers in	6,960,065	7,228,440	7,256,747	28,307
Transfers out		(164,000)	(943,519)	(779,519)
Capital lease proceeds		35,103	35,103	
Total other financing sources (uses)	6,960,065	7,099,543	6,349,794	(749,749)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,403,094)	(1,678,937)	2,788,949	4,467,885
Fund balance - beginning	15,607,643	15,416,025	20,444,095	
Fund balance - ending	$ 14,204,549	$ 13,737,088	$ 23,233,044	$ 4,467,885

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Community Services Agency - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Licenses, permits and franchises	78,653	78,653	77,242	(1,411)
Revenue from use of money and property			796	796
Intergovernmental revenue	205,294,783	202,616,968	191,796,031	(10,820,937)
Charges for services	846,612	1,300,241	1,486,112	185,871
Miscellaneous revenue	969,717	964,315	818,852	(145,463)
Donation		14,546	45,135	30,589
Total revenues	207,189,765	204,974,723	194,224,167	(10,750,556)
Public Assistance				
Salaries and employee benefits	68,403,057	67,003,629	61,877,319	5,126,310
Services and supplies	16,361,310	17,283,215	14,872,823	2,410,392
Other charges	129,667,475	127,978,704	122,366,131	5,612,573
Fixed assets		153,893	153,893	0
Total Health and Sanitation	214,431,842	212,419,442	199,270,166	13,149,275
Total expenditures	214,431,841	212,419,442	199,270,166	13,149,275
Excess (deficiency) of revenues over (under) expenditures	(7,242,076)	(7,444,719)	(5,045,998)	2,398,720
Other financing sources (uses)				
Transfers in	7,320,120	7,378,510	6,478,695	(899,815)
Transfers out	(85,650)	(671,747)	(2,600,807)	(1,929,060)
Sale of capital assets			24,268	24,268
Capital lease proceeds		153,893	153,893	
Total other financing sources (uses)	7,234,470	6,860,656	4,056,049	(2,804,607)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(7,606)	(584,063)	(989,948)	(405,887)
Fund balance - beginning	421,951	(901,993)	721,864	
Fund balance - ending	$ 414,345	$ (1,486,056)	$ (268,084)	$ (405,887)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:					
Current Assets:					
Cash and investments	$ 6,987,119	$	$ 3,995,615	$ 10,982,734	$ 34,128,218
Accounts receivable, net	683,753	23,724,940	902,546	25,311,239	785,445
Interest and other receivables	74,289		18,169	92,458	82,495
Inventory		187,027	26,216	213,243	189,012
Deposit with others					500,000
Due from other funds		50,517		50,517	
Prepaid items		284,337		284,337	2,250
Total current assets	7,745,161	24,246,821	4,942,546	36,934,528	35,687,420
Noncurrent assets:					
Investments with fiscal agent	190,239	160,790		351,029	
Restricted cash and investments	18,012,003		2,382,710	20,394,713	
Capital assets:					
Land and right of ways	13,556,621		1,906,261	15,462,882	
Intangible assets					2,929,902
Structures and improvements	3,785,755	12,366,363	216,731	16,368,849	1,002,508
Equipment	3,305,577	3,740,135	5,589,732	12,635,444	24,963,332
Construction in progress			39,721	39,721	
Less: Accumulated depreciation	(3,267,671)	(13,737,871)	(2,368,064)	(19,373,606)	(17,823,449)
Net capital assets	17,380,282	2,368,627	5,384,381	25,133,290	11,072,293
Total noncurrent assets	35,582,524	2,529,417	7,767,091	45,879,032	11,072,293
Total assets	$ 43,327,685	$ 26,776,238	$ 12,709,637	$ 82,813,560	$ 46,759,713
LIABILITIES:					
Current liabilities:					
Accounts payable	$ 222,426	$ 2,028,596	$ 636,036	$ 2,887,058	$ 1,173,651
Salaries and benefits payable	32,229	601,984	18,225	652,438	124,166
Deferred revenues		97,368		97,368	
Due to other funds		9,408,383		9,408,383	
Deposits from others	28,617			28,617	
Interfund note payable - current		887,054		887,054	
Risk management liability - current					6,588,831
Capital leases - current		322,461		322,461	4,124
Compensated absences - current	9,518	109,910	414	119,842	25,994
Long-term obligations - current		194,056		194,056	
Total current liabilities	292,790	13,649,812	654,675	14,597,277	7,916,766
Noncurrent liabilities					
Estimated cost of landfill closure/postclosure	7,456,544		5,628,883	13,085,427	
Interfund note payable		22,177,355		22,177,355	
Risk management liability					19,592,517
Capital leases payable		340,820		340,820	6,311
Other post-employment benefits (OPEB)	31,728	276,592	17,777	326,097	100,091
Compensated absences	116,433	1,219,516	71,841	1,407,790	657,371
Total noncurrent liabilities	7,604,705	24,014,283	5,718,501	37,337,489	20,356,290
Total liabilities	7,897,495	37,664,095	6,373,176	51,934,766	28,273,056
NET ASSETS (DEFICIT) :					
Invested in capital assets, net of related debt	17,380,282	1,511,290	5,384,381	24,275,953	11,061,858
Restricted	17,822,156	160,790	3,215,139	21,198,085	
Unrestricted	227,752	(12,559,937)	(2,263,059)	(14,595,244)	7,424,799
Total net assets (deficit)	$ 35,430,190	$ (10,887,857)	$ 6,336,461	30,878,794	$ 18,486,657
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				669,613	
Net assets of business type activities				$ 31,548,407	

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	$ 4,208,445	$ 38,442,792	$ 1,682,556	$ 44,333,793	$ 66,854,710
Total operating revenues	4,208,445	38,442,792	1,682,556	44,333,793	66,854,710
Operating expenses:					
Salaries and benefits	1,191,528	17,355,628	727,499	19,274,655	4,694,979
Services and supplies	2,833,087	22,846,676	4,090,734	29,770,497	63,895,304
Depreciation	571,644	674,527	498,510	1,744,681	1,604,510
Estimated cost of closure/postclosure	424,084			424,084	
Total operating expenses	5,020,343	40,876,831	5,316,743	51,213,917	70,194,793
Operating income (loss)	(811,898)	(2,434,039)	(3,634,187)	(6,880,124)	(3,340,083)
Nonoperating revenues (expenses)					
Investment income	1,057,333	(104,872)	73,555	1,026,016	289,543
Interest expense		(312,998)		(312,998)	(803)
Gain (loss) on sale of capital assets		(985)		(985)	42,408
Intergovernmental		341,517	3,924,670	4,266,187	3,449,975
Total nonoperating revenues (expenses)	1,057,333	(77,338)	3,998,225	4,978,220	3,781,123
Income (loss) before capital contributions and transfers	245,435	(2,511,377)	364,038	(1,901,904)	441,040
Transfers in		6,531,568	450,000	6,981,568	18,473
Transfers out	(477,171)	(2,713,763)	(20,267)	(3,211,201)	(1,349,709)
Changes in net assets	(231,736)	1,306,428	793,771	1,868,463	(890,196)
Total net assets (deficit) - beginning	35,661,926	(12,194,285)	5,542,690		19,376,853
Total net assets (deficit) - ending	$ 35,430,190	$ (10,887,857)	$ 6,336,461		$ 18,486,657

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(815,381)
Change in net assets of business type activities	$ 1,053,082

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	$ 4,134,261	$ 31,610,815	$ 1,567,611	$ 37,312,687	$
Cash received (paid) from interfund services		(5,341)	$ 1,698	(3,643)	66,338,268
Cash paid to suppliers	(3,213,489)	(15,809,856)	(4,700,886)	(23,724,231)	(64,559,519)
Cash paid to employees	(1,153,219)	(17,213,614)	(714,024)	(19,080,857)	(4,674,434)
Net cash provided (used) by operating activities	(232,447)	(1,417,996)	(3,845,601)	(5,496,044)	(2,895,685)
Cash flows from noncapital financing activities:					
Transfers in		6,531,568	450,000	6,981,568	18,473
Payment on interfund note payable		(1,665,119)	-	(1,665,119)	
Deferred revenues		(2,544)	-	(2,544)	
Subsidy from state and federal grant		341,517	3,924,670	4,266,187	3,449,975
Transfers out	(477,171)	(2,713,763)	(20,267)	(3,211,201)	(1,349,709)
Net cash provided (used) by noncapital financing activities	(477,171)	2,491,659	4,354,403	6,368,891	2,118,739
Cash flows from capital and related financing activities:					
Sale of capital assets	(165,004)		(13,649)	(178,653)	
Purchase of capital assets		(170,353)	(646,040)	(816,393)	(2,939,495)
Gain (Loss) on disposal of capital assets		(985)		(985)	42,408
Principal payment - capital leases		(305,091)		(305,091)	(3,869)
Principal payment - long term debt		(183,360)		(183,360)	
Interest paid		(312,998)		(312,998)	(803)
Net cash (used) by capital and related financing activities	(165,004)	(972,787)	(659,689)	(1,797,479)	(2,901,759)
Cash flows from investing activities:					
Investment Income	1,057,333	(104,872)	73,555	1,026,016	289,547
Net cash provided by investing activities	1,057,333	(104,872)	73,555	1,026,016	289,547
Net increase (decrease) in cash and cash equivalents	182,711	(3,996)	(77,332)	101,383	(3,389,158)
Cash and equivalents - beginning	24,904,229	164,786	6,455,657	31,524,672	37,517,376
Prior Period Adjustment	102,421			102,421	
Cash and equivalents - beginning - restated	25,006,650	164,786	6,455,657	31,627,093	37,517,376
Cash and equivalents - ending	$ 25,189,361	$ 160,790	$ 6,378,325	31,728,476	$ 71,645,594
Reconciliation of cash and cash equivalents to the Statement of Net Assets					
Cash and investments	$ 6,987,119		$ 3,995,615	10,982,734	$ 34,128,218
Restricted cash and investments & investment with fiscal agent	18,202,242	160,790	$ 2,382,710	20,745,742	
Total cash and cash equivalents	$ 25,189,361	$ 160,790	$ 6,378,325	$ 31,728,476	$ 34,128,218

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (811,898)	$ (2,434,039)	$ (3,634,187)	$ (6,880,124)	$ (3,340,083)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	571,644	674,527	498,510	1,744,681	1,604,510
(Increase) decrease in accounts receivable	(82,000)	(4,873,931)	(110,889)	(5,066,820)	(590,815)
(Increase) decrease in other receivables	7,818	132,614	986	141,418	18,795
(Increase) decrease in inventory		6,302	(3,344)	2,958	17,531
(Increase) decrease in prepaid items		(84,973)		(84,973)	13,046
(Increase) decrease in due from other funds		(21,842)		(21,842)	
(Increase) decrease in deposits with others					25,000
(Increase) decrease in deferred charges					
Increase (decrease) in accounts payable and accrued liabilities	(380,403)	(458,724)	294,923	(544,204)	(407,955)
Increase (decrease) in interfund payable					
Increase (decrease) in salaries and benefits payable	1,982	(56,853)	(8,440)	(63,311)	(6,063)
Increase (decrease) in liability for compensated absences	30,282	146,157	17,336	193,775	5,944
Increase (decrease) in other post-employment benefits(OPEB)	6,045	52,709	4,579	63,333	20,665
Increase (decrease) in due to other funds/goverments		5,500,057		5,500,057	
Increase (decrease) in estimated cost of closure/postclosure	424,083		(905,075)	(480,992)	
Increase (decrease) in risk management liability					(256,260)
Net cash provided (used) by operating activities	$ (232,447)	$ (1,417,996)	$ (3,845,601)	$ (5,496,044)	$ (2,895,685)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Employees' Retirement Trust	Investment Trust	Agency Funds	Total
ASSETS				
Cash and investments	$ 49,487,217	$ 647,531,060	$ 7,681,404	$ 704,699,681
Accounts receivable (net of allowance for uncollectables)		8,584,381		8,584,381
Interest and dividends	7,068,358			7,068,358
Securities transactions	11,099,645			11,099,645
Contributions	1,599,785			1,599,785
Other receivable	39,745	2,209,022	46	2,248,813
Interfund note receivable		23,064,409		23,064,409
Other assets	3,760,576	34,975,900		38,736,476
Investments:				
Bonds	502,229,675			502,229,675
Stocks	865,824,739			865,824,739
Collateral on loaned securities	138,824,720			138,824,720
Total assets	1,579,934,460	716,364,772	7,681,450	2,303,980,682
LIABILITIES				
Accounts payable	160,783,514	17,854,579		178,638,093
Salaries and benefits payable		(394,190)		(394,190)
Grant deed extension fee	405,000			405,000
Trust obligations		10,945,491	7,681,450	18,626,941
Deferred revenue		743,526		743,526
Total liabilites	161,188,514	29,149,406	7,681,450	198,019,370
NET ASSETS				
Net assets held in trust for pension benefits/investment pool participants	$ 1,418,745,946	$ 687,215,366	$	$ 2,105,961,312

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Employees' Retirement Trust	Investment Trust
Additions:		
Contributions:		
Employer contributions	$ 26,256,729	$
Member contributions	19,197,052	
Contributions on pooled investments		2,915,159,733
Total contributions	45,453,781	2,915,159,733
Investment income:		
Net appreciation in fair value	229,909,853	
Interest	22,146,575	8,155,975
Dividends	14,553,204	
Miscellaneous income	501,016	
Less investment expense	(5,268,156)	
Net investment loss	261,842,492	8,155,975
Total additions	307,296,273	2,923,315,708
Deductions:		
Benefit payments	74,826,404	
Refunds of prior contributions	1,906,153	
Distributions from pooled investments		2,942,196,826
Administrative expense	2,037,167	
Total deductions	78,769,724	2,942,196,826
Change in net assets	228,526,549	(18,881,118)
Net assets held in trust - beginning	1,190,219,397	705,698,004
Prior Period Adjustment		398,480
Net assets held in trust - beginning - restated	1,190,219,397	706,096,484
Net assets held in trust - ending	$ 1,418,745,946	$ 687,215,366

The accompanying notes to the financial statements are an integral part of this statement.

Note 1: **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

A. **Reporting Entity**

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the government and its component units, legally separate entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30th year-end.

Blended Component Units

1. Redevelopment Agency of the County of Stanislaus ("Agency"): The Agency was established by the County as a separate legal entity in accordance with state law. It is governed by the five members of the County Board of Supervisors. The purpose of the Agency is to acquire, rehabilitate, and revitalize property within legally designated redevelopment areas. The Agency provides service solely to the County and is reported as a capital projects fund.

2. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.

3. Lighting Districts: The County has 27 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budget and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.

4. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern it. Its purpose is to acquire from the County all of the rights of the County future

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (See Note 17). The Corporation provides service solely to the County and is reported as a debt service fund.

5. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. It is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.

6. Stanislaus County Children and Families Commission ("Commission"): Following voter approval of Proposition 10 in November 1998, the Commission was established by the Stanislaus County Board of Supervisors on December 8, 1998, pursuant to Ordinance #687. The ordinance provides that the Commission operate as an independent "County agency". A governing board compiled of nine Commissioners, whose composition is defined in the enabling ordinance, is appointed by the Board of Supervisors. The purpose of the Commission is to promote the development and well-being of children zero through age five in Stanislaus County. The activity for the Commission is reported as a special revenue fund.

B. **Basis of Presentation**

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net assets, all internal balances have been eliminated except those representing the net balance

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Government-Wide Financial Statements (continued)

due between governmental and business type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation services.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- *Stanislaus County Children and Families Commission* ("Commission") was established by the Stanislaus County Board of Supervisors on December 8, 1998 pursuant to Ordinance #687. The purpose of the Commission is to promote the development and well-being of children zero through age five in Stanislaus County.

- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.

- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.

- *Public Facility Fees* were established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – worker's compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees Retirement Association (StanCERA).

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.

C. **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. **Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital project funds for the life of the project, except for the Redevelopment Agency, the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees Capital project fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object levels within the same budget unit may be authorized by the County Executive Office, with the exception of transfers related to fixed assets exceeding $10,000. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as "expenditure transfers". This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

		Special Revenue Funds		
	General Fund	Behavioral Health and Recovery	Community Services Agency	Children and Families Commission
Total expenditures (budgetary basis)	$ 173,564,217	$ 63,891,536	$ 199,270,166	$ 16,061,551
Basis difference - net addition of 2009/10 encumbrances and commitments minus 2010/11 encumbrances and commitments	(4,822,423)	(636,082)		228,608
Total Expenditures (GAAP)	$ 168,741,794	$ 63,255,454	$ 199,270,166	$ 16,290,159

E. **Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as "Investments with Fiscal Agent" represent loan proceeds held by the trustees for various borrowings (See Note 5) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund.

The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

F. **Investments** (continued)

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisor's on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

G. **Deferred Revenue**

The County reports deferred revenue on its financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

H. **Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource (See Note 14).

I. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Note 1: **Summary of Significant Accounting Policies** (continued)

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost equal to or greater than $5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost equal to or greater than $1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill Cell	1,960,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

K. **Intangible Assets**

On July 13, 2010, the Board approved $50,000 capitalization threshold for intangible assets.

GASB Statement No. 51 was issued in June of 2007. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting among state and local governments. County financial statements must comply with all statements issued by the Government Accounting Standards Board.

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Intangible Assets** (continued)

This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. As such, existing accounting and financial reporting requirements are to be applied to intangible assets. Capital assets are expensed over their useful life rather than being charge in the specific financial period in which they are purchased.

The existing capital asset policy for the County needs to be updated to include intangible assets. Currently, the capitalization threshold for other fixed assets is $5,000 or greater. The threshold amount represents the minimum amount at which an asset should be capitalized.

GASB Statement No. 51 does not specifically identify a methodology for establishing a threshold amount. A survey of other California counties was performed which indicated a wide variation, depending on the size of the County, in the threshold amounts being implemented. Given the County's relative size and exposure, a $50,000 threshold is considered to be a reasonable amount.

L. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A 10-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

M. **Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the fund financial statements, are reported as nonspendable fund balance.

Services or supplies provided can result, at year-end, in receivables and payables referred to as "due to/from other funds." These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as "internal balances" when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

N. **Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. **Fund Balance**

Government Accounting Standards Board (GASB) has issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This Statement is effective for financial statements with periods beginning after June 15, 2010. The objective of this Statement is to improve the usefulness, including the understandability, of governmental fund balance information. The Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The Statement impacts governmental fund types.

The fund balance is reported in five new categories: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

Note 1: **Summary of Significant Accounting Policies** (continued)

O. **Fund Balance** (continued)

Nonspendable Fund Balance – amounts cannot be spent because a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted Fund Balance - amounts are restricted by external parties i.e. creditors, grantors, contributors or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority. The formal action must occur prior to the end of the reporting period. The amount, which will be subject to the constraint, may be determined in the subsequent period.

Assigned Fund Balance - amounts constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent can be expressed by a) the governing body itself or b) a body or official to which the governing body has delegated the authority i.e. budget/finance committee. Monies set aside for debt service, carryover appropriations, teeter plan, retirement obligation, contingencies and tobacco settlement are some of the examples to be included in the assigned category.

Assigned fund balance can be used to eliminate the projected budgetary deficit in the subsequent year's budget.

Unassigned Fund Balance – a residual classification for the general fund. The total fund balance less restricted, committed or assigned equals unassigned fund balance. General fund is the only fund that should report a positive unassigned fund balance amount. A negative fund balance is possible in other governmental funds.

Prior to the implementation of GASB Statement No. 54, the fund balance had been divided into three basic classifications for accounting and tracking purposes: designations, reserves and unreserved/undesignated. Unreserved/undesignated fund balance is the official title for what is typically described as "fund balance" in our budget reports and discussions and is available for those uses the Board of Supervisors deems necessary. Reserves are legally restricted funds established for a future specific use and are not available for general appropriation. Designations have been set-aside by the Board for a specific purpose.

Effective fiscal year beginning July 1, 2010, the fund balance is being reported in compliance with GASB Statement No. 54 and are being categorized as nonspendable, restricted, committed, assigned and unassigned.

Note 1: **Summary of Significant Accounting Policies** (continued)

P. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

For fiscal year-end June 30, 2011, the County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions.*

Note 2: **Prior Year Restatement**

The fund balance for the Redevelopment Agency includes a prior year restatement of $728. The prior year adjustment reflects fiscal year June 30, 2010 audit adjustments.

The beginning cash and equivalents for Fink Road Landfill is being adjusted by $102,421 to include Investments Stocks balance for prior year.

The beginning assets held in trust balance is being restated by $398,480 to account for the transfer of fund balance for the City-County Improvements and Financing Agency. Effective July 1, 2010, the duty of fiscal administrator transferred from City of Modesto to County of Stanislaus.

Note 3: **Individual Fund Deficits**

Deficit Fund balances – Government Fund Type

Special Revenue Fund - Child Support Services	$	2,341,212
Special Revenue Fund - Indigent Health Care		299,905
Debt Service Fund - Pension Obligation Bonds		105,715

The Child Support Services deficit is due to a timing difference between expenditures and State reimbursement.

The Indigent Health Care deficit is due to a decrease of program revenues and changes in County policy resulting in an increase in applicants.

The Debt Service Fund deficit is due to lowered salary expectations. This deficit will be funded by increased rates.

Net Asset Deficits – Proprietary Funds

Enterprise fund - Geer Road Landfill	$	741,988
Enterprise fund - Health Clinics & Ancillary Services		10,887,856
Internal Service fund - General Liability Insurance		1,689,598

Note 3: **Individual Fund Deficits** (continued)

Net Asset Deficits – Proprietary Funds (continued)

The deficit in the Geer Road Landfill is due to the liability for closure/post closure maintenance. This accumulated deficit will be funded with receipts from Fink Road Landfill.

The Health Clinics and Ancillary Services Fund deficit is due to the closure of the County hospital inpatient facilities in November 1997 and the rising cost of health care. The plan to recover this deficit focuses on transfers from other funds, increased fees for service, and increased reimbursement from the Federal government as a Federally Qualified Health Center Look-Alike.

The General Liability Insurance deficit is due to unexpected expenses in combination with user rates that were too low. This deficit will be funded by increased user charges.

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2011, actual expenditures based on budgetary basis, excluding transfers, exceeded budget at the department and object level as follows:

Fund Type & Department	Object	Excess Expenditures
General Fund - Elections Division	Other charges	$ 2,999
Special Revenue Fund - Behavioral Health & Recovery Services	Capital Assets	11,177
Special Revenue Fund - Children and Families Commission	Services and Supplies	6,555,323

The above disclosure is based on departmental appropriations as of June 30, 2011. The positive effect of unanticipated revenue received during the fiscal year for which estimated revenue and appropriations were non increased is not reflected in the above chart.

Note 5: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net assets/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of their cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with

Note 5: **Cash and Investments** (continued)

Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County and participating schools unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53600 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	$ 147,376
Cash in banks-department administered	2,810,987
Total Cash	2,958,363
In custody of Treasurer:	
Cash on hand	107,749
Cash in bank	18,522,762
Investments held by Treasurer	1,052,974,649
Less outstanding checks	(46,046,701)
Total in custody of Treasurer	1,025,558,459
Investments held by fiscal agents:	
Tobacco settlement	92,654,472
Tobacco funding corporation	4,777,871
General fund	-
Stock investment	190,239
Bond requirements	7,317,477
Total investments held by agents	104,940,059

Note 5: **Cash and Investments** (continued)

Employees' retirement trust:	
Cash (outside Treasurer's pool)	38,884,970
Investments	1,506,879,134
Total Employees' retirement trust	1,545,764,104
Total cash and investments	$ 2,679,220,985

Total County cash & investments are reported as follows:

Primary government	
Cash and investments	$ 338,405,329
Investments with fiscal agent	104,940,059
Restricted cash & investments	24,296,782
Employees' retirement trust	
Cash and investments	49,487,217
Other investments	1,506,879,134
Investment trust - cash and investments	647,531,060
Agency funds - cash and investments	7,681,404
Total cash and investments	$ 2,679,220,985

Interest Rate Risk - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's $1.0 billion portfolio, over 58% of the investments have a maturity of one year or less. No investment has maturity greater than four years.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 25 years that are sensitive to interest rate changes. Of these bonds, 85% are insured, which tends to reduce interest rate risk.

- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Barclay Aggregate bond index duration. At year end the Barclay Aggregate Bond Index was yielding 2.83% with an effective duration of 5.2 years. StanCERA had a yield of 3.18% with an effective duration of 4.2 years.

Note 5: **Cash and Investments** (continued)

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured and non-insured bonds that are single A, double A or triple B and make up 57% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as BBB rated or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

  The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2011.

Credit Rating	Active Management	Fixed Income Securties Amount
AAA	41.15%	$ 206,637,063
AA+	0.20%	993,909.00
AA	1.28%	6,441,310.00
AA-	2.40%	12,033,228
A+	2.97%	14,931,295
A	5.73%	28,793,119
A-	4.31%	21,652,199
BAA+	0.65%	3,265,996
BAA	0.77%	3,860,771
BAA-	0.12%	605,648
BA+	0.09%	448,699
BBB+	3.71%	18,627,742
BBB	8.86%	44,507,673
BBB-	3.89%	19,537,118
BB+	0.38%	1,911,975
BB	0.56%	2,807,703
BB-	1.85%	9,294,567
B+	1.81%	9,089,655
B	0.04%	194,751
B-	1.62%	8,148,736
CAA	0.02%	86,945
N/A	17.59%	88,359,573
	100.00%	$ 502,229,675

Note 5: **Cash and Investments** (continued)

Custodial Credit Risk-deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), our depository banks, i.e., Bank of the West, Union Bank of California, and US Bank collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.

- *StanCERA's Investment Portfolio.* At year end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

Custodial Credit Risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.

- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

  As of June 30, 2011, StanCERA had securities on loan with a carrying value of $138,824,720 and cash collateral of $144,453,289, with non-cash collateral of $1,285,598. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

Note 5: **Cash and Investments** (continued)

Foreign Currency Risk – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

  The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2011 was $282,599,170, distributed as follows:

Currency	*Fair Value (in US $)*	*Currency*	*Fair Value (in US $)*
Australian Dollar	$ 15,142,936	New Turkish Lira	$ 788,374
British Pound Sterling	39,375,762	New Zealand Dollar	194,060
Canadian Dollar	20,682,999	Norwegian Krone	2,999,619
Danish Krone	2,051,373	Singapore Dollar	1,560,735
Euro Currency	62,775,396	South African Rand	2,844,869
Hong Kong Dollar	9,593,013	South Korean Won	5,644,203
Japanese Yen	36,576,724	Swedish Krona	2,177,734
Malaysian Renggit	291,227	Swiss Franc	11,889,365
Mexican Nuevo Peso	638,657	Global REIT's	19,355,304
New Taiwan Dollar	2,727,642	US Dollar	45,289,178

Concentration of Credit Risk - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 68% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

US Treasury Securities	*31.25%*
Federal Home Loan Bank	*18.85%*
Federal Farm Credit Bank	*8.847%*
Freddie Mac	*5.77%*

  Of the 32% of the portfolio invested in other types of investments, the following investments exceed 5%.

Bank of America (short term)	*9.56%*

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipal bonds that comprise 16% of the portfolio.

Note 5: **Cash and Investments** (continued)

- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, may be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the Retirement Association's consultant, without special permission from the StanCERA Board.

  With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

  At June 30, 2011, StanCERA had the following investments:

Fixed Income Securities	
U S Treasuries	$ 88,359,573
Single Family Mortgage Backed Securities	162,144,106
Multi Family Mortgage Backed Securities	3,254,452
Collateralized Mortgage Backed Securities	16,388,781
Federal Agency	35,074,428
Asset Backed	971,104
Corporate Bonds	178,481,739
Municipal Bonds	3,880,467
Other*	13,675,025
	$ 502,229,675
Equities	
Domestic	$ 583,225,569
International	282,599,170
	$ 865,824,739
Collateral on Loaned Securities	$ 138,824,720
Total Investments	$ 1,506,879,134

* Includes Emerging market, Cash Equivalents, and Non-U.S. Developed securities

Note 5: **Cash and Investments** (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2011. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Investments
Maturity Distribution - Fair Value (000's)
as of 06/30/2011

		Maturity									
	S&P Credit Rating	≤ 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	Total
Managed Funds (LAIF)	Unrated	$ 50,000									$ 50,000
Cert. of Deposit	AAA						10,000				10,000
Federal Agencies	AAA	50,006	35,139	25,986	40,080	69,914	65,962	105,831			392,918
US Treasuries	AAA	9,998	19,994	19,989	65,042	50,405	45,512	30,438	62,287	25,486	329,151
Medium Term Notes (FDIC Insured)	AAA				50,619	20,409	20,481				91,509
Medium Term Notes	AA+						5,254	20,241			25,495
Medium Term Notes	AA-						8,400				8,400
Medium Term Notes	A+							10,107			10,107
Bankers Acceptances	A	19,999	53,434	14,989	10,990						99,412
Medium Term Notes	A						21,029	14,954			35,983
Total Treasury Pool Investments		$ 130,003	$ 108,567	$ 60,964	$ 166,731	$ 140,728	$ 176,638	$ 181,571	$ 62,287	$ 25,486	$ 1,052,975
Money Market Funds	Unrated	$ 38									$ 38
FNMA Note	Unrated				4,740						4,740
Total Tobacco Funding Corp Investments		$ 38	$ -	$ -	$ 4,740	$ -	$ -	$ -	$ -	$ -	$ 4,778

	S&P Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years		Total
Money Market Funds		$ 17,374									$ 17,374
Mutual Funds		22,283									22,283
Muncipal Bonds (Insured)	AA				2,078	2,007	7,139	2,722	6,956		20,902
Muncipal Bonds (Insured)	A				1,021	2,394	7,468	4,679	3,487		19,049
Muncipal Bonds (Insured)	BBB			1,196			2,032				3,228
Muncipal Bonds (Insured)	Unrated							1,717			1,717
Muncipal Bonds (Non-Insured)	A							8,101			8,101
Total Tobacco Settlement Investments		$ 39,657	$ -	$ 1,196	$ 3,099	$ 4,401	$ 16,639	$ 17,219	$ 10,443		$ 92,654
Money Market/Mutual Funds	Unrated	$ 1,489									$ 1,489
Investment Agreements	Unrated			4,036		1,792					5,828
Total Bond Requirements		$ 1,489	$ -	$ 4,036	$ -	$ 1,792	$ -	$ -	$ -	$ -	$ 7,317

Note 5: **Cash and Investments** (continued)

In accordance with GASB No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 90 days to maturity in the following categories:

U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Corporate Bonds and Notes

Amortized cost was used for all investments having 360 days or less to maturity, which may include the following categories:

Commercial Paper
State of California Local Agency Investment Fund
U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Repurchase Agreements
Corporate Bonds and Notes
Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

The Stanislaus County Treasurer's Pool maintains some investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2011 was $23.9 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2011 was $66.4 billion. No amount was invested in any derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 237 days as of June 30, 2011.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB No. 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar for dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

Note 5: **Cash and Investments** (continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2011:

Statement of Net Assets	
Net assets held for pool participants	$ 1,025,558,459
Equity of external pool participants	$ 665,814,711
Equity of internal pool participants	359,743,747
Total Equity	$ 1,025,558,459

Statement of Changes in Net Assets	
Net assets at July 1, 2010	$ 1,057,357,278
Net investment income	15,590,992
Net contributions and withdrawls	(47,389,811)
Net assets at July 1, 2011	$ 1,025,558,459

Stanislaus County Treasury Pool
Summary of Investments (in thousands)
June 30, 2011

	Fair Value	Dollar Cost	Interest Rate Range		Maturity Range	
Cert. of Deposit	$ 10,000	$ 10,000	0.80%	0.80%	12/08/12	12/08/12
Bankers Acceptances	99,412	99,308	0.25%	0.35%	07/05/11	10/03/11
Managed Funds - LAIF	50,000	50,000	0.39%	0.39%	07/01/11	07/01/11
Federal Agencies	392,918	388,666	0.20%	3.88%	07/12/11	05/27/14
US Treasuries	329,151	326,875	0.21%	2.38%	07/28/11	01/31/16
Medium Term Notes	171,494	169,992	1.65%	6.15%	12/09/11	01/07/14
Total	$ 1,052,975	$ 1,044,841				

Note 6: **Interfund Transactions**

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2011 are as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 2,832,780	To cover deficit cash balance
General Fund	Health Clinics and Ancillary Services	9,385,277	To cover deficit cash balance
		12,218,057	Sub total
Behavioral Health and Recovery	General Fund	527,651	State realignment
Community Services Agency	General Fund	56,852	State realignment
Community Services Agency	Other Governmental Funds	727,777	To cover deficit cash balance
Other Governmental Funds - Environment Resources	General Fund	74,390	State realignment
Other Governmental Funds - Public Health	General Fund	322,357	State realignment
Other Governmental Funds - Environment Resources	General Fund	793,494	State realignment
Other Governmental Funds - Courthouse Construction	General Fund	4	State realignment
Other Governmental Funds - Public Authority	General Fund	44,362	State realignment
Other Governmental Funds - Health Services Agency	Health Clinics and Ancillary Services	23,106	For services provided
Other Governmental Funds - Salida Regional Library	Public Facility Fees - Library	1,130,413	To cover deficit cash balance
Other Governmental Funds - Cornoner's Facility	Public Facility Fees - Sheriff	13,269	To cover deficit cash balance
Health Clinics and Ancillary Services	General Fund	49,593	State realignment
Health Clinics and Ancillary Services	Behavioral Health and Recovery	923	For services provided
Community Services Agency	Behavioral Health and Recovery	20,082	For services provided
		3,784,273	Sub total
		$ 16,002,330	Total

Advances To/From

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 100,000	Long term loan

The balance of the loan between the General Fund and the Public Works department for dangerous building abatement is $100,000.

Interfund Note payable/receivable

Receivable Fund	Payable Fund	Amount
Investment Trust Fund	Health Clinics and Ancillary Services	$ 23,064,409

Note 6: **Interfund Transactions** (continued)

In fiscal year 2003-2004 the Health Clinics and Ancillary Services Fund borrowed monies from the Investment Trust Fund. The balance on the note as of June 30, 2011 is $13,082,550 and the note is expected to be repaid, with interest, by July 2020. The interest will be credited each fiscal year end based on the Treasurer's pool rate. Annual transfers from the County's General Fund to the Health Services Agency will be the source of funds to retire the note.

The Health Clinics and Ancillary Services Fund borrowed a second loan-term loan from the Investment Trust Fund. The second note was established in fiscal year 2008-2009 to cover repayment of the Graduate Medical Education (GME) Federal funding. As of June 30, 2011, the balance on the note is $9,981,859. The note is also funding the County's share of Residency Program costs for fiscal years 2008-2009 and 2009-2010. The note is expected to be repaid with interest by July 2026.

Based on the Treasurer's Pool rate, interest will be credited at the end of each fiscal year end for both notes. The notes will be retired through annual transfers from the County's General Fund.

Note 6: **Interfund Transactions** (continued)

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	$ 6,478,695	County program contributions
	Behavioral Health and Recovery	6,921,909	County program contributions
	Other Governmental Funds	33,988,444	County program contributions and Debt Service
	Health Clinics and Ancillary Services	5,100,462	County program contribution
		52,489,510	
Tobacco Settlement	General Fund	2,317,094	Interest distribution
Behavioral Health and Recovery	Other Governmental Funds	803,053	To pay debt service
	Health Clinics and Ancillary Services	139,996	Contributions to joint programs
		943,049	To pay POB debt service
Community Services Agency	Other Governmental Funds	2,052,225	Contributions to joint programs and debt service
Public Facility Fees	General Fund	2,287,753	Capital assets purchases
	Behavioral Health and Recovery	253,478	Capital assets purchases
	Other Governmental Funds	11,566,469	Capital assets purchases
	Health Clinics and Ancillary Services	318,103	Capital assets purchases
	Internal Service Funds	15,762	Capital assets purchases
		14,441,565	
Children and Families Commission	Other Governmental Funds	19,612	Debt Service - Pension Obligation Bond
Other Governmental Funds	General Fund	1,750,518	Various contributions to programs
	Other Governmental Funds	3,329,715	Various contributions to programs and debt service
	Health Clinics and Ancillary Services	1,587	Various contributions to programs
	Internal Service Funds	1,185	Various contributions to programs
		5,083,005	
Health Clinics and Ancillary Services	Other Governmental Funds	2,713,763	Reimburse administrative costs of HSA and debt service
Other Enterprise Funds	Other Governmental Funds	20,267	To pay debt service
Fink Landfill	Other Governmental Funds	27,171	To pay debt service
	Geer Landfill	450,000	Landfill closure/post-closure
		477,171	
Internal Service Funds	General Fund	17,209	Insurance reimbursement
	Behavioral Health and Recovery	81,360	Insurance reimbursement
	Other Governmental Funds	278,194	Cost of medical malpractice insurance and debt service
	Health Clinics and Ancillary Services	971,420	Cost of medical malpractice insurance
	Internal Service Funds	1,526	Insurance reimbursement for Fleet vehicle
		1,349,709	
		$ 81,906,970	

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2011
Governmental Activities					
Capital assets, not being depreciated:					
Land and Right of Ways	$ 40,427,688	$ 114,403	$ -	$ -	$ 40,542,091
Construction in progress - Intangible Ass	3,308,247	-	-	(3,308,247)	-
Construction in progress	6,042,130	4,165,974	(779,293)	(3,442,247)	5,986,564
Total capital assets, not being depreciated	49,778,065	4,280,377	(779,293)	(6,750,494)	46,528,655
Capital assets, being depreciated:					
Infrastructure	813,775,289	19,763,461	(32,319,045)	-	801,219,705
Structures and improvements	201,240,847	509,525	(319,516)	664,570	202,095,426
Equipment	94,209,409	5,747,016	(2,992,975)	(101,476)	96,861,974
Intangible Assets	-	225,305	-	3,308,247	3,533,552
Total capital assets, being depreciated	1,109,225,545	26,245,307	(35,631,536)	3,871,341	1,103,710,657
Less accumulated depreciation for:					
Infrastructure	(562,745,845)	(24,889,349)	32,319,045	-	(555,316,149)
Structures and improvements	(63,300,441)	(5,640,731)	217,781	1,046	(68,722,345)
Equipment	(51,739,504)	(8,036,344)	2,633,146	(53,417)	(57,196,119)
Intangible Assets	-	(330,825)	-	-	(330,825)
Total accumulated depreciation	(677,785,790)	(38,897,249)	35,169,972	(52,371)	(681,565,438)
Total capital assets, being depreciated, net	431,439,755	(12,651,942)	(461,564)	3,818,970	422,145,219
Government activities capital assets, net	$ 481,217,820	$ (8,371,565)	$ (1,240,857)	$ (2,931,524)	$ 468,673,874
Business-type Activities					
Capital assets, not being depreciated:					
Land and Right of Ways	$ 15,462,882	$ -	$ -	$ -	$ 15,462,882
Construction in progress	68,093	-	-	(28,372)	39,721
Total capital assets, not being depreciated	15,530,975	-	-	(28,372)	15,502,603
Capital assets, being depreciated:					
Structures and improvements	16,361,233	7,616	-	-	16,368,849
Equipment	14,038,102	992,070	(2,432,623)	37,894	12,635,443
Total capital assets, being depreciated	30,399,335	999,686	(2,432,623)	37,894	29,004,292
Less accumulated depreciation for:					
Structures and improvements	(12,657,820)	(372,665)	-	-	(13,030,485)
Equipment	(7,375,913)	(1,372,016)	2,431,638	(26,829)	(6,343,120)
Total accumulated depreciation	(20,033,733)	(1,744,681)	2,431,638	(26,829)	(19,373,605)
Total capital assets, being depreciated, net	10,365,602	(744,995)	(985)	11,065	9,630,687
Business-type activities capital assets, net	$ 25,896,577	$ (744,995)	$ (985)	$ (17,307)	$ 25,133,290

Note 7: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	Equipment	Structures and Improvements	Intangible	Infrastructure	Total
General government	$ 532,330	$ 1,593,872	$ -	$ -	$ 2,126,202
Public protection	3,448,413	2,466,000	60,365	-	5,974,778
Public ways	4,104	51,563	-	24,889,349	24,945,016
Health and sanitation	404,641	131,504	-	-	536,145
Public assistance	285,215	649,927	-	-	935,142
Education	1,954,224	207,048	-	-	2,161,272
Recreation	98,723	515,461	-	-	614,184
Internal service funds	1,308,694	25,356	270,460	-	1,604,510
Total	$ 8,036,344	$ 5,640,731	$ 330,825	$ 24,889,349	$38,897,249

Depreciation expense was charged to the business-type functions as follows:

	Equipment	Structures and Improvements	Total
Transit	$ 474,645	$ -	$ 474,645
Fink Road Landfill	338,952	232,692	571,644
Health Clinics and Ancillary Serv	541,541	132,986	674,527
Inmate Welfare/Commissary	16,878	6,987	23,865
	$ 1,372,016	$ 372,665	$ 1,744,681

Note 8: **Receivables, Deferred and Unearned Revenue**

A large portion of the government activities accounts receivable, net of allowance for uncollectibles, balance of $55,877,878 includes receivables from federal, state, and local governments in the amount of $38,137,750.

The business type activities accounts receivable balance of $25,276,409 includes at Health Clinics and Ancillary Services of $27,077,783 net of an allowance of $3,352,843 leaves a net receivable of $23,724,940.

At June 30, 2011, total deferred revenue for governmental funds is $36,476,493. The unavailable portion of the deferred revenue balance is $862,125. The unavailable balance represents measurable revenue not available to finance expenditures of the current fiscal period and is being reported for governmental funds.

The government-wide financial statements reports the unearned revenue. This type of revenue represents monies received for unearned revenue.

Note 8: **Receivables, Deferred and Unearned Revenue** (continued)

Governmental Activities:	Unavailable	Unearned	Deferred Revenue
General fund:			
Property taxes receivable	$ 17,876		$ 17,876
Accounts receivable	8,940		8,940
Interest receivable			
Advanced deposits for prior year summary judgment		$ 181,767	181,767
Advanced deposits for animal services		6	6
Advanced deposits for probation services		1,132,381	1,132,381
Advanced deposits for sheriff services		494,132	494,132
Grant drawdowns prior to meeting all eligibility requirements		81	81
Behavioral Health and Recovery			
Grant drawdowns prior to meeting all eligibility requirements		19,602,505	19,602,505
Tobacco Settlement			
Interest receivable	835,309		835,309
Community Services Agency:			
Grant drawdowns prior to meeting all eligibility requirements		12,891,367	12,891,367
Nonmajor funds:			
Grant drawdowns prior to meeting all eligibility requirements		1,312,129	1,312,129
	$862,125	$35,614,368	$ 36,476,493

Note 9: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975-1976 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for the 2010-2011 fiscal year is $36,945,593,396.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to

Note 9: **Property Taxes** (continued)

the County's General Fund. In addition, Sections 4703 and 4703.2 of the California Revenue and Taxation Code require that a property tax loss reserve fund be maintained at 1% of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the county, or 25% of the total delinquent secured taxes. For the 2010-2011 tax year, the Revenue and Taxation Code 4703 methodology of 1% was elected by Board resolution.

Taxes receivable in the General Fund includes $18,012,420 million long term property tax receivable resulting from the Teeter method of distribution. This long term receivable as well as another $8,630,515 million expected to be collected next fiscal year have already been credited to other governments. Total property tax receivables of $26,492, 935 will be collected from the taxpayers.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This period was 60 days from the end of the fiscal year. Property taxes receivable that do not meet the "available" criteria are recorded as deferred revenue.

Note 10: **Proposition 1A**

Proposition 1A, as approved by the voters of California on November 2, 2004, amended the State Constitution by prohibiting the legislature from modifying the manner in which property tax revenues are allocated to the local taxing agencies. However, the provisions of Proposition 1A can be suspended under certain conditions. On July 28, 2009, the State legislature passed, and the Governor signed into law, the suspension of the property tax protection provisions of Proposition 1A and allowed the State to borrow up to 8% from the Fiscal Year 2009-2010 property tax allocation of local entities.

In Fiscal Year 2010-2011, the total amount of loan from the County's property tax allocation was $7,866,152.

Note 11: **Leases**

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated $3,520,083 for all fund types for the year ended June 30, 2011. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2011.

Note 11: **Leases** (continued)

Operating Leases (continued)

Year Ending June 30,	
2012	$ 3,145,288
2013	2,656,624
2014	1,593,526
2015	1,385,389
2016	1,332,031
2017-2020	5,245,054
Total Minimum Lease Payments	$ 15,357,912

The Stanislaus Waste Energy Company (SWEC) has a lease agreement with the County to lease the 16-acre site on which the waste energy facility was built. The lease term is 35 years and contains a 15-year option to renew at the lessee's (SWEC) option. The County purchased the land in 1974 for $6,161.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building #1 at the County Center III site for the purpose of a print shop. The term is six years with a mutual option to renew.

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2011.

Year Ending June 30,	
2012	$ 198,000
2013	198,000
2014	198,000
2015	198,000
2016	198,000
2017-2021	990,000
Total minimum lease revenue	$ 1,980,000

Note 11: **Leases** (continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2011
Governmental activities:		
Building	0.00-7.7%	$ -
Equipment	0.00-7.7%	973,618
		$ 973,618
Business-type activities:		
Equipment	0.00-7.7%	$ 663,281
		$ 663,281
Total capital lease obligations		$ 1,636,899

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2012	$ 350,676	$ 351,152
2013	343,612	351,153
2014	275,154	-
2015	93,765	-
2016	30,295	-
Total Minimum Lease Payments	1,093,502	702,305
Less: Amounts Representing Interest	(119,884)	(39,024)
Present Value of Minimum Lease Payments	973,618	663,281
Less: Current Portion of Capital Leases	(293,836)	(322,461)
Long-term Capital Lease Obligation	$ 679,782	$ 340,820

Note 11: **Leases** (continued)

Capital Leases (continued)

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Building	$ -	$ -
Equipment	1,544,967	1,116,760
Less: accumulated depreciation	(531,967)	(785,227)
Net value	$ 1,013,000	$ 331,533

Note 12: **Long-Term Debt**

A. **Summary of Long-Term Debt**

The following is a summary of long-term liability transactions for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
Certificates of participation	82,497,584	-	(7,721,640)	74,775,944	8,010,944
Plus issuance premium	1,124,669	-	(144,343)	980,326	144,343
Bonds payable	53,785,000	-	(9,365,000)	44,420,000	10,040,000
RDA loans	5,734,785	-	(214,165)	5,520,620	218,789
Interest RDA CalHFA Loan	65,827	16,875	-	82,702	-
Tobacco securitization note	99,268,611	-	(1,550,000)	97,718,611	3,285,000
Accreted interest tobacco note	12,241,056	3,433,503	-	15,674,559	-
	254,717,532	3,450,378	(18,995,148)	239,172,762	21,699,076
Risk management liability	$ 25,809,608	$ 7,087,108	$ (7,763,368)	$ 25,133,348	$ 6,097,930
Capital lease payable	1,688,007	363,716	(1,078,105)	973,618	293,836
Compensated absences	29,993,934	17,535,955	(16,124,203)	31,405,686	1,235,283
	$ 57,491,549	$24,986,779	$(24,965,676)	$ 57,512,652	$ 7,627,049
Total Governmental Activities	$312,209,081	$28,437,157	$(43,960,824)	$296,685,414	$ 29,326,125
Business-type Activities:					
Certificates of participation	377,416	-	(183,360)	194,056	194,056
	377,416	-	(183,360)	194,056	194,056
Risk management liability	$ 628,000	$ 1,048,000	$ (628,000)	$ 1,048,000	$ 490,901
Compensated absences	1,333,857	950,931	(757,157)	1,527,631	119,841
Capital lease payable	982,022	-	(318,741)	663,281	322,461
	$ 2,943,879	$ 1,998,931	$ (1,703,898)	$ 3,238,912	$ 933,203
Total Business-Type Activities	$ 3,321,295	$ 1,998,931	$ (1,887,258)	$ 3,432,968	$ 1,127,259

Note 12: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $683,365 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

As of June 30, 2011, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending	Bonds Payable		Certificates of Participation	
June 30	Principal	Interest	Principal	Interest
2012	$ 10,040,000	$ 2,555,885	$ 8,010,944	$ 3,183,698
2013	10,770,000	1,825,137	6,945,000	2,870,338
2014	11,555,000	1,040,076	7,205,000	2,606,300
2015	545,000	620,405	7,550,000	2,245,750
2016	435,000	596,722	7,935,000	1,861,905
2017-2021	2,295,000	2,646,299	23,390,000	4,891,157
2022-2026	2,500,000	2,024,801	13,740,000	1,543,065
2027-2031	2,725,000	1,326,888		
2032-2036	2,940,000	564,913		
2037-2041	615,000	16,528		
2042-2046	-	-		
Totals	$ 44,420,000	$ 13,217,654	$ 74,775,944	$ 19,202,213

As of June 30, 2011, annual Redevelopment Agency (RDA) loan payments to maturity are as follows:

Year Ending	Loans Payable	
June 30	Principal	Interest
2012	$ 218,789	$ 199,707
2013	228,556	192,543
2014	238,472	184,072
2015	806,039	258,519
2016	253,764	167,298
2017-2021	445,000	756,303
2022-2026	550,000	650,504
2027-2031	675,000	520,269
2032-2036	835,000	360,374
2037-2041	1,030,000	163,221
2042	240,000	4,953
Totals	$ 5,520,620	$ 3,457,763

Note 12: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
2012	$ 3,285,000	$ 2,998,881	$	$
2013	3,555,000	2,821,231		
2014	3,835,000	2,625,569		
2015	4,130,000	2,414,438		
2016	4,460,000	2,185,203		
2017-2021	30,185,000	6,426,802		2,935,222
2022-2026	6,115,000	269,883		39,889,695
2027-2031			23,793,382	42,546,901
2032-2036			9,446,325	47,665,309
2037-2041			-	50,794,058
2042-2046			8,913,904	42,299,911
Totals	$ 55,565,000	$ 19,742,007	$ 42,153,611	$ 226,131,096

The above Tobacco Securitization Note amortization schedule assumes that the turbo payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

As of June 30, 2011, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30	Business-type Activities Certificates of Participation	
	Principal	Interest
2012	$ 194,056	$ 9,703

Note 12: **Long-Term Debt** (continued)

B. **Long Term Obligations**

A summary of certificates of participation outstanding at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2011
Governmental activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 9,105,056	$ 1,310,944
1998 Series A	3.75-4.75	3/1/1998	9/1/2018	22,160,000	11,585,000
2004 Series A	1.63-4.38	3/26/2004	9/1/2025	15,371,663	12,345,000
2004 Series B	1.63-4.38	3/26/2004	9/1/2025	27,511,451	22,085,000
2007 Series A Refunding	3.65-5.75	2/1/2007	5/1/2018	42,081,614	27,450,000
Total governmental activities				116,229,784	74,775,944
Business-type activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	1,524,944	194,056
Total business-type activities				1,524,944	194,056
Total				$ 117,754,728	$ 74,970,000

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2011
Tobacco Securitization Note	5.5-7.5	3/21/2002	6/1/2043	$ 67,305,000	$ 55,565,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	57,828,170
Total				$ 109,458,611	$ 113,393,170

A summary of loans and bonds payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2011
1995 Pension Obligation Bonds	7.15	9/25/1995	8/15/2013	$ 108,970,000	$ 30,875,000
RDA 2005 TAB	3.5-5.42	12/20/2005	8/1/2036	15,615,000	13,545,000
Total Bonds				124,585,000	44,420,000
RDA State Water Resources Board Loan	3.1	9/13/1995	12/12/2015	2,646,310	818,120
RDA CalHFA Loan	3.0	4/15/2005	4/12/2015	628,327	645,202
RDA USDA Loan	4.25	8/21/2003	8/1/2041	4,525,000	4,140,000
Total Loans				$ 7,799,637	$ 5,603,322

Note 12: **Long-Term Debt** (continued)

B. **Long Term Obligations** (continued)

Purpose for County Borrowings

1997 Series B Refunding	Purchase medical arts building and construct jail kitchen laundry
1998 Series A	Construct a portion of government building with the City of Modesto
2004 Series A	Construction of Gallo Center for the Arts
2004 Series B	Construction of 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
1995 Pension Obligation Bonds	Pay StanCERA for unfunded actuarial accrued liability
RDA State Water Resources Board	To build Bret Harte sewer collection and transfer system
RDA 2005 TAB	To pay for Keyes storm drain project
RDA Cal HFA Loan	This is a first-time homebuyers downpayment assistance program
RDA USDA Loan	To pay for Salida storm drain project
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

C. **Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and the second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

The California County Tobacco Securitization Agency (the Agency) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Corporation from tobacco settlement revenues purchased from the County.

In April 2002, the Agency issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was $67,305,000 and the expected maturity dates were from June 1, 2019-2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of $42,153,611 and the expected maturity dates were from June 1, 2046-2055. The bonds' interest rates range from 5.75% to 7.25%.

Note 12: **Long-Term Debt** (continued)

D. **Arbitrage**

Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year no calculations were performed. At June 30, 2011, the County has no outstanding liability for arbitrage.

Note 13: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2011	$22,708,188	$ 5,628,883	$28,337,071
Liability recognized as of June 30, 2011	$ 7,456,544	$ 5,628,883	$13,085,426
Landfill capacity used to date	32.84%	100%	
Estimated remaining useful life	22 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Landfill	$18,012,003
Geer Road Landfill	$ 2,382,710

Note 14: **Net Assets/Fund Balances**

Net Assets

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

As of June 30, 2011, the County had the following restrictions to net assets:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	$ 102,377,440	$ -
Debt service	15,171,296	
Other purposes:		
Landfill closure/post-closure		20,453,723
Children & families commission	5,769,482	
Road construction	17,781,448	
Tax loss reserve	3,902,068	
Child support service	(2,409,432)	
Public assistance	749,040	
Public health	2,854,606	
Environmental resources	5,080,207	
Lighting & storm drain districts/County service areas	1,850,788	
Clerk-recorder - capital assets	3,783,963	
Planning grants	(699,331)	
Other	135,178,421	
Subtotal other purposes	173,841,260	20,453,723
Total Restricted Net Assets	$ 291,389,996	$ 20,453,723
Amount of total restricted by enabling legislation	$ 53,025	$ -

Note 14: **Net Assets/Fund Balances** (continued)

Fund Balances

Nonspendable Fund Balance – amounts cannot be spent because a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted Fund Balance - amounts are restricted by external parties i.e. creditors, grantors, contributors or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority. The formal action must occur prior to the end of the reporting period. The amount, which will be subject to the constraint, may be determined in the subsequent period.

Assigned Fund Balance - amounts constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent can be expressed by a) the governing body itself or b) a body or official to which the governing body has delegated the authority i.e. budget/finance committee. Monies set aside for debt service, carryover appropriations, teeter plan, retirement obligation, contingencies and tobacco settlement are some of the examples to be included in the assigned category. Assigned fund balance can be used to eliminate the projected budgetary deficit in the subsequent year's budget.

Unassigned Fund Balance – a residual classification for the general fund. The total fund balance less restricted, committed or assigned equals unassigned fund balance. General fund is the only fund that should report a positive unassigned fund balance amount. A negative fund balance is possible in other governmental funds.

Note 14: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detail schedule of fund balances at June 30, 2011 is as follows:

	General Fund	Children and Families Commission	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Non-spendable:								
Imprest Cash	$ 91,835	$	$	$ 8,650	$ 25,150	$	$ 12,035	$ 137,670
Cash with fiscal agent							10,740,818	10,740,818
Investment FV Adj	1,095,277	134,072		409,796	277	682,723	481,179	2,803,324
Advance to Other Funds	100,000							100,000
Advance to Other Gov'ts	4,396,259							4,396,259
Teeter Receivable	18,012,420							18,012,420
Prepaid Items	216,186			2,622			114,394	333,202
Inventory							420,428	420,428
Encumbrances	1,264,780	321,663		890,175			9,303,317	11,779,935
Total Non-spendable fund balance	25,176,757	455,735		1,311,243	25,427	682,723	21,072,171	48,724,056
Restricted	3,902,067	5,769,482	102,534,501	12,653,234	665,131	74,603,849	80,730,927	280,859,191
Committed	7,360,782			6,222,935			1,451,022	15,034,739
Assigned	51,067,462			3,240,674			3,587,532	57,895,668
Unassigned:								
General fund	20,761,362							20,761,362
Special revenue funds							(606,674)	(606,674)
Total fund balance	$ 108,268,430	$ 6,225,217	$ 102,534,501	$ 23,428,086	$ 690,558	$ 75,286,572	$ 106,234,978	$ 422,668,342

Note 15: **Risk Management**

The County CEO-Risk Management Division's program encompasses workers' compensation, general and professional liability, property, unemployment, vision, dental and purchased health insurance. The County is self insured for workers' compensation for the first $500,000 per claim with excess insurance for amounts spent over $500,000 not to exceed $5,000,000 per claim. The general liability insurance covers property damage, personal injury, auto and public officials' errors and omissions has a self insured retention of $250,000 per occurrence with excess insurance though CSAC Excess Insurance Authority of up to $25,000,000. The County's property coverage limit is $584,896,996 subject to a $15,000 deductible. Unemployment, vision care, and dental insurance are the sole responsibility of the County. Limited exposure precludes the need for outside insurance coverage. Health Insurance is offered to employees through Kaiser HMO and Health Savings Account and Anthem Blue Cross HMO and Health Savings Account options.

The Health Services Agency and Behavioral Health and Recovery Services participate in the medical malpractice program subject to a self-insured retention of $500,000 per claim. The excess insurance is capped at $10,000,000 per claim.

Note 15: **Risk Management** (continued)

The estimation of claims liability is dependent on factors including, but not limited to; inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is completed each year.

The County is named in several legal actions and while we cannot predict the ultimate outcome with certainty, we do not believe there will be an adverse impact on the financial position of the County.

	2009/2010	2010/2011
Unpaid claims as of July 1	$ 22,630,658	$ 26,437,608
Incurred claims (including IBNRs)	13,932,689	9,018,211
Claim payments	(10,125,739)	(9,274,471)
Unpaid claims as of June 30	$ 26,437,608	$ 26,181,348

Note 16: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2011, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 17: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (Agency) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto (the City) and the County of Stanislaus. The Agency is administered by a commission consisting of two members of the City council and two members of the County's Board of Supervisors.

The agreement provides that the City and the County shall pay for costs associated with the operation of the Agency and are entitled to all rights and property of the Agency equally.

On May 1, 1990, the Agency issued Certificates of Participation to refinance a bond issued through California Pollution Control Financing Authority. And on February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. Outstanding debt of the Agency at June 30, 2011 is $0. Financial statements for the Agency are produced biannually and may be obtained by writing to the County of Stanislaus, Environmental Resource Department, 3800 Cornucopia Way, Suite C, Modesto, CA 95358.

Note 17: **Joint Ventures** (continued)

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). The governing body consists of two members from each city council and the County Board of Supervisors.

The TRRP Board prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of the Park based on the percentage of cumulative contributions paid. As of June 30, 2011, the County's equity interest was $2,148,820. For the fiscal year ending June 30, 2011, the County contributed $173,466 to TRRP. Financial statements for TRRP are prepared by the City of Modesto Finance Department and are available from them. Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank, Waterford, Hughson and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a fully operational and specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff, the District Attorney and Chief Probation Officer of Stanislaus County and the Chief of Police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population. The County's cash contribution to the SDEA for fiscal year 2011 was $152,243. The total cash plus in-kind contribution was $520,337. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto. Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (Agency) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The Agency

Note 17: **Joint Ventures** (continued)

The City-County Capital Improvements and Financing Agency (continued)

prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the Agency which percentages shall be reviewed and approved in connection with the project and annual budgets of the Agency. As of June 30, 2011, the County's equity interest in the Agency was $12,543,587 and is reported as Investments-joint ventures in the government-wide statement of new assets.

The City of Modesto was the Agency's fiscal administrator after the construction phase of the City-County Administration Center through end of June 2010. As of July 2010, County of Stanislaus has resumed as the Agency's fiscal administrator. Financial Statements may be obtained by writing to the County of Stanislaus, Auditor-Controller Department, P.O. Box 770, Modesto, CA 95353.

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

On November 15, 2000, the County entered into a Joint Powers Agreement (the "Agreement") with the County of Merced, County of Sonoma, and the County of Kern thereby creating the California County Tobacco Securitization Agency (the "Agency"). The Agency then added the County of Marin, County of Placer, the County of Fresno, and the County of Alameda. The Agency is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of its purpose, the Agency has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

Note 17: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency (continued)

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the Agency for the purpose of issuing bonds in the principal amount of $67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for $52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the Agency to borrow the proceeds of the $42,153,611 agency 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received $40,971,290.

The financial statements of the Agency are produced annually and may be obtained by writing to the County of Los Angeles, Rachelle Anema, Principal Accountant, Auditor-Controller, 500 West Temple Street, Room 525, Kenneth Hahn Hall of Administration, Los Angeles, CA 90012.

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the "Agency") was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The Agency is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council. The purpose of the Agency is to consolidate the public safety communications system. The responsibilities of the County and the City include approval: of the annual budget, claims, liabilities, and the use of Agency property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California, 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the city of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City

Note 17: **Joint Ventures** (continued)

Regional Fire Training Center (continued)

Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2011, the County paid $57,451 to YCCD under this agreement. Financial Statements may be obtained by writing to the Office of the Chancellor, Yosemite Community College District, 2201 Blue Gum Avenue, Modesto, CA 95352.

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). The benefits of adding these counties creates opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

The Authority was originally governed and administered by a Board of Directors consisting of four (4) Directors. The Directors are the Merced County Director of the Human Services Agency, the Riverside County Director of the Department of Public Social Services, the San Bernardino County Assistant County Administrator for Social Services, and the Stanislaus County Director of the Community Services Agency. With the addition of 35 counties three (3) new directors will be added.

Stanislaus County's C-IV costs for Fiscal Year 2010-2011 were $316,565. Financial Statements may be obtained by writing to the County of San Bernardino, County Administrative Officer, 385 North Arrowhead Avenue 5th Floor, San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority (Authority) between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway. The purpose of the Authority is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County.

Note 17: **Joint Ventures** (continued)

North County Corridor Transportation Expressway Authority (continued)

The intent of the North County Corridor is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The preliminary project development costs will be funded by State Transportation Program and Public Facility Fees. The Authority Board of Directors will be comprised of two directors appointed by the County, and one director from each participating city. The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the Authority's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of the Authority. Financial statements, when available, may be obtained by writing to the County of Stanislaus, Public Works Department, 1716 Morgan Road, Modesto, CA 95358.

The Stanislaus Animal Services Agency

The Stanislaus Animal Services Agency (SASA) was created October 27, 2009, pursuant to a joint powers agreement among the cities of Ceres, Hughson, Modesto, Patterson, Waterford, and the County of Stanislaus. SASA is administered by a six-member board comprised of the City Manager of each partner agency, and the Chief Executive Officer of the County. The purpose of SASA is to operate a regional agency providing animal services to their respective communities. The SASA Executive Director prepares the annual budget which must be approved by the SASA Board. Each partner agency will contribute sufficient funds to pay for all costs approved in the budget to provide animal services. Upon termination of the agreement, assets will be distributed in accordance with the joint powers agreement. The financial statements may be obtained by writing to the Stanislaus Animal Services Agency, Executive Director, 3647 Cornucopia Way, Modesto, CA, 95358.

Note 18: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, death benefits and health and welfare insurance for certain retirees and their dependents. The plan is administered by the Stanislaus County Employees Retirement Association. One actuarial valuation is performed for the system as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County that are not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required

Note 18: **Employees' Retirement Plan** (continued)

supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees' Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported sales price at current exchange rates. No investment in any single asset represents more than 5% of the net assets available for pension benefits.

StanCERA has five tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, and Tier 5 vest after five years of credited service, while the benefit known as Tier 3 vests after 10 years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 or more years of membership with StanCERA or at any age with 30 or more years of credited service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 years of membership with StanCERA or at any age with 20 or more years of credited service. All Tier 3 members may retire at age 55 with 10 or more years of credited service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4 and Tier 5 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4 and Tier 5 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4 and Tier 5 are required by statute to contribute to the pension plan. Members' contribution rates are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Contribution rates vary from 6.44% to 20.95% of covered payroll for the County and from 3.06% to 15.55% of covered payroll for employees.

Note 18: **Employees' Retirement Plan** (continued)

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

StanCERA provides a death benefit of $5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

Effective January 1, 2010, StanCERA no longer provides ad-hoc benefits to retirees. Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on May 24, 2010 placed further restrictions on offering ad-hoc benefits, specifically that the system must be 90% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 76.30% actuarially funded as of June 30, 2010.

The County's contribution to StanCERA for the years ending June 30, 2009, 2010 and 2011 were $20,160,386, $19,253,308 and $26,256,729 respectively, equal to the required contributions for each year. The County does not contribute towards post-employment benefits other than retirement.

Schedule of Funding Progress

Schedule of Funding Progress - Pension Benefit Plan
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$242,009	95.70%
6/30/2009	$ 1,171,767	$ 1,653,716	$ 481,949	70.90%	$248,316	194.10%
6/30/2010	$ 1,325,801	$ 1,737,824	$ 412,023	76.30%	$231,538	177.95%

Data provided by last actuarial valuation as of July 1, 2010

Expressing StanCERA's benefits pension plan (the Plan) net assets as a percentage of the actuarial accrued liability (AAL) provides one indication of StanCERA's funding status on a going-concern basis. Analysis of this percentage over time will indicate whether the Plan is becoming financially stronger or weaker. As of the most current actuarial valuation completed for year ending June 30, 2010 this percentage was 76.30%. Trends in the unfunded actuarial accrued liability (UAAL) and annual covered payroll are both affected by inflation. Expressing the UAAL , as a percentage of annual covered payroll

Note 18: **Employees' Retirement Plan** (continued)

Schedule of Funding Progress (continued)

approximately adjusted for the effects of inflation, will also aid analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. As of July 1, 2010 this percentage was 177.95%.

Note 19: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

For fiscal year ended June 30, 2011 the County's annual OPEB cost (expense) of $3,858,694 was equal to the annual required contribution (ARC). The net OPEB obligation for 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 3,858,694	69.7%	$ 5,699,332

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of June 30, 2011 was as follows:

Note 19: **Other Post Employment Benefits (OPEB)** (continued)

Funding Policy (continued)

Stanislaus County Employees other Post Employment Benefit (OPEB) Plan
Schedule of Funding Progress
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	$ -	$ 36,877	$ 36,877	0%	$ 231,538	17.0%

Data provided by last actuarial valuation as of July 1, 2010

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's first actuarial valuation was performed as of July 1, 2006. In that valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a six percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of five percent after five years. Both rates reflect an implicit three percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a rolling basis. The remaining amortization period as of June 30, 2007 was 30 years.

Note 20: **Subsequent Events**

Children and Families Commission (Proposition 10)

Assembly Bill 99 (AB 99), adopted by the Legislature and signed into law by the Governor in March of 2011, mandated a shifting (on or before June 30, 2012) of $1 billion from state and local Prop 10 commissions to the State Treasurer. AB 99 required payments of $50 million

Note 20: **Subsequent Events** (continued)

Children and Families Commission (Proposition 10) (continued)

from the state commission and $950 million from local commissions. The Stanislaus County Children and Families Commission's share of this mandate is estimated to be $8.3 million.

Eleven counties sued the State challenging the constitutionality of this bill by arguing that the Legislature cannot divert funds authorized by a proposition without first obtaining the approval of the electorate. And while the trial court found in favor of the counties, the State may still file an appeal, thereby delaying the final resolution of this litigation. Accordingly, as of June 30, 2011, the Stanislaus Commission has recorded a liability on the financial statements for AB 99 to ensure resources are available in the fund should payment be required at some time in the future.

Redevelopment Agencies

On June 29, 2011, Governor Brown signed into law Assembly Bill (AB) X1 26 and X1 27. AB X1 26 immediately suspended all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011 (the "Dissolution Act"). AB X1 27 allows redevelopment agencies to avoid dissolution under the Dissolution Act by opting into an "alternative voluntary redevelopment program" (the "Voluntary Program") requiring specified substantial annual contribution to local schools and special districts. These annual contributions are to be made by a redevelopment agency's 'sponsoring community' in the form of a 'remittance' payment to the State of California. Stanislaus County is the 'sponsoring community' for the Stanislaus County Redevelopment Agency.

In July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (LOCC) filed a lawsuit (California Redevelopment Assn. v. Matosantos) with the California Supreme Court requesting that the Court declare unconstitutional AB X1 26 and X1 27. On August 11, 2011, the Court issued a partial stay regarding suspension of the effectiveness of AB X1 26 and AB X1 27 until it rules on the constitutionality of the two bills. On August 17, 2011, the Court issued an order modifying its stay on AB X1 26 clarifying that the requirements for an agency to adopt an Enforceable Obligation Payment Schedule (EOPS) within 60 days after the effective date of the bill are not stayed.

On August 23, 2011 the Stanislaus County Redevelopment Agency adopted an EOPS in compliance with AB X1 26. While actions in accordance with AB X1 27 are not required under the stay, both Stanislaus County and the Stanislaus County Redevelopment Agency have taken actions as required by AB X1 26 and X1 27, contingent on the Court's ultimate determination. On September 13, 2011, the Stanislaus County Redevelopment Agency authorized an agreement with Stanislaus County for reimbursement of 'remittance' payments made by the County under AB X1 27. On September 20, 2011, Stanislaus

Note 20: **Subsequent Events** (continued)

Redevelopment Agencies (continued)

County adopted an ordinance to continue the redevelopment activities of the Stanislaus County Redevelopment Agency in accordance with AB X1 27 and, on September 21, 2011, entered into the reimbursement agreement with the Stanislaus County Redevelopment Agency.

The California Supreme Court has committed to issuing a decision on the lawsuit by January 15, 2012.

The future of the Stanislaus County Redevelopment Agency is depend on the outcome California Redevelopment Assn. v. Matosantos, a lawsuit filed on July 18, 2011 by the California Redevelopment Association (CRA) and the League of California Cities (LOCC) with the California Supreme Court, requesting that the Court declare unconstitutional AB X1 26 and X1 27 which were signed into law on June 29, 2011 by Governor Brown.

AB X1 26 immediately suspended all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011 (the "Dissolution Act"). AB X1 27 allows redevelopment agencies to avoid dissolution under the Dissolution Act by opting into an "alternative voluntary redevelopment program" (the "Voluntary Program") requiring specified substantial annual contribution to local schools and special districts. These annual contributions are to be made by a redevelopment agency's 'sponsoring community' in the form of a 'remittance' payment to the State of California. Stanislaus County is the 'sponsoring community' for the Stanislaus County Redevelopment Agency.

On August 11, 2011, the Court issued a partial stay regarding suspension of the effectiveness of AB X1 26 and X1 27 until it rules on the constitutionality of the two bills. On August 17, 2011, the Court issued an order modifying its stay on AB X1 26 clarifying that the requirements for an agency to adopt an Enforceable Obligation Payment Schedule (EOPS) within 60 days after the effective date of the bill are not stayed.

On August 23, 2011 the Redevelopment Agency adopted an EOPS in compliance with AB X1 26. While actions in accordance with AB X1 27 are not required under the stay, both Stanislaus County and the Stanislaus County Redevelopment Agency have taken actions as required by AB X1 26 and X1 27, contingent on the Court's ultimate determination. On

September 13, 2011, the Stanislaus County Redevelopment Agency authorized an agreement with Stanislaus County for reimbursement of 'remittance' payments made by the County under AB X1 27. On September 20, 2011, Stanislaus County adopted an ordinance to continue the redevelopment activities of the Stanislaus County Redevelopment Agency in accordance with AB X1 27 and, on September 21, 2011, entered into the reimbursement agreement with the Stanislaus County Redevelopment Agency.

Note 20: **Subsequent Events** (continued)

Redevelopment Agencies (continued)

The California Supreme Court has committed to issuing a decision on the lawsuit by January 15, 2012. If both AB X1 26 and X1 27 are found to be unconstitutional, the Stanislaus County Redevelopment will continue to exist as an independent agency without reliance on Stanislaus County as a 'sponsoring community'. If both AB X1 26 and X1 27

are found to be constitutional, the ordinance adopted by the County on September 20, 2011 and the September 21, 2011 reimbursement agreement between Stanislaus County and the Stanislaus County Redevelopment Agency will become effective. The Fiscal Year 2011-12 remittance payment will be in the amount of $2,655,853 and the Fiscal Year 2012-13 remittance payment is estimated to be approximately $631,845.

While not anticipated, it is possible that AB X1 26 could be found to be constitutional and AB X1 27 found to be unconstitutional. If this were to occur, the Stanislaus County Redevelopment Agency would be dissolved and its rights, obligations and responsibilities would be assigned to a 'successor agency'. Stanislaus County will become the 'successor agency' unless it elects not to serve in that capacity.

Self-Funded Medical Insurance

Effective January 1, 2012, the County will self-fund its medical costs. This is a change from prior years, where the County purchased medical insurance coverage from various providers. In calendar year 2012, self-funded plans will be offered through Anthem Blue Cross, Kaiser, and Stanislaus County Partners in Health. The plans will be administered by a third party administrator and will be managed by the Chief Executive Office – Risk Management Division. Consultants and actuaries will also be used to evaluate the plan annually. Medical and pharmacy claims will be paid on a weekly basis, and revenue will be received on a bi-weekly basis, consistent with the timing of employees' paychecks. This medical insurance will be available to all of the County's approximately 3,500 full-time employees.

Potential exposures include deficit in cash as payments exceed the intake of cash. Another exposure includes expenditures in excess of revenue. The rates were based on an underwriting analysis and should be adequate to cover the expenditures for Stanislaus County's self-funded medical plan. Throughout the year, the rates will monitored closely to ensure the risk of deficit is minimized.

Stanislaus
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Required Supplementary Information

County of Stanislaus

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2011

Stanislaus County Employees' Retirement Association
Schedule of Funding Progress – Pension Benefit Plan

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(UAAL) as a Percentage of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
6/30/2004	$ 993,180	$ 1,035,345	$ 42,165	95.90%	$ 199,963	21.10%
6/30/2005	$ 1,049,691	$ 1,116,310	$ 66,619	94.00%	$ 211,681	31.50%
6/30/2006	$ 1,154,048	$ 1,329,375	$ 175,327	86.80%	$ 212,011	82.70%
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$ 242,009	95.70%
6/30/2009	$ 1,171,767	$ 1,653,716	$ 481,949	70.90%	$ 248,316	194.10%
6/30/2010	$ 1,325,801	$ 1,737,824	$ 412,023	76.30%	$ 231,538	177.95%

Actuarial valuation was not performed for fiscal year June 30, 2007.
Data provided by last actuarial valuation as of June 30, 2010.
The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.

Stanislaus County Employees Other Postemployment Benefits (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability (AAL) Projected Unit Credit b	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	$0	$ 36,090,083	$36,090,083	0%	$ 215,818,211	16.7%
7/1/2008	$0	$ 39,835,525	$39,835,525	0%	$ 222,013,314	17.9%
7/1/2010	$0	$ 36,877,098	$36,877,098	0%	$ 216,990,039	17.0%

Source: Demsey, Filliger & Associates, LLC "County of Stanislaus Actuarial Valuation as of July 1, 2010 For the County's Retiree Health Benefits Agreement with StanCERA"

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 87.51% of StanCERA's covered payroll.

The OPEB schedule presented relates solely to the County.

Stanislaus
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Other Supplementary Information

Non-major Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Fund

Redevelopment Agency

The Redevelopment Agency Fund was established so the County can use redevelopment tax increment financing as a tool to initiate capital public project, property rehabilitation and private development.

Capital Projects

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities. Among the major projects is a downtown project that includes the construction of a parking garage and office structure and the construction of the Center for the Arts.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

Capital Improvement Financing Authority

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificates of Participation issued to finance various capital projects.

Pension Obligation Bonds

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

Stanislaus County Tobacco Funding Corporation

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State.

County of Stanislaus
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stan County Tobacco Funding Corp	Totals
Assets							
Cash and investments	$ 60,980,443	$ 17,223,358	$ 11,075,012	$ 4,268,697	$	$ 9,339	$ 93,556,849
Cash with fiscal agent		1,193,740		5,943,789	19,158	4,777,871	11,934,558
Account receivable (net of allowance for uncollectables)	12,467,597	728	476,979		1,786	2,831,440	15,778,530
Interest and other receivables	100,592	50,282	15,662	12,629	(4,764)	28	174,429
Inventory	420,428						420,428
Due from other funds	1,257,708		1,143,685				2,401,393
Loans to other governments		20,479					20,479
Prepaid items	114,394						114,394
Total assets	$ 75,341,162	$ 18,488,587	$ 12,711,338	$ 10,225,115	$ 16,180	$ 7,618,678	$ 124,401,060
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 7,234,095	$ 15,944	$ 991,394	$	$	$ 2,831,440	$ 11,072,873
Salaries and benefits payable	2,108,864	6,698	4,657				2,120,219
Sales tax liability	304						304
Due to other funds	3,438,662				121,895		3,560,557
Deferred revenue	1,312,129						1,312,129
Advances from other funds	100,000						100,000
Total Liabilities	14,194,054	22,642	996,051		121,895	2,831,440	18,166,082
Fund Balances							
Non-spendable	8,858,441		1,435,676	5,982,033	18,066	4,777,955	21,072,171
Restricted	48,316,843	18,465,945	9,717,686	4,230,453			80,730,927
Committed	889,097		561,925				1,451,022
Assigned	3,689,401			12,629	(123,781)	9,283	3,587,532
Undesignated	(606,674)						(606,674)
Total fund balances	61,147,108	18,465,945	11,715,287	10,225,115	(105,715)	4,787,238	106,234,978
Total liabilities and fund balances	$ 75,341,162	$ 18,488,587	$ 12,711,338	$ 10,225,115	$ 16,180	$ 7,618,678	$ 124,401,060

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2011

		Capital Projects Funds		Debt Service Funds			
	Special Revenue Funds	Redevelopment Agency	Capital Projects	Capital Improvement Finance Authority	Pension Obligation Bonds	Stan County Tobacco Funding Corp	Totals
Revenues:							
Taxes	$ 9,689,147	$ 4,720,848	$	$	$	$	$ 14,409,995
Licenses, permits and franchises	1,459,008						1,459,008
Fines, forfeitures and penalties	2,153,770		1,720,257				3,874,027
Revenue from use of money and property	548,058	186,599	60,692	287,255	(5,076)	378,424	1,455,952
Intergovernmental revenue	135,652,976	(995)	6,939,461		968,080		143,559,522
Charges for services	32,289,139	187,791					32,476,930
Miscellaneous revenue	13,781,077	48,510	114,763			4,388,892	18,333,242
Total revenues	195,573,175	5,142,753	8,835,173	287,255	963,004	4,767,316	215,568,676
Expenditures:							
Current:							
General government	22,532						22,532
Public protection	40,369,590						40,369,590
Public ways and facilities	32,892,249						32,892,249
Health and sanitation	43,264,279						43,264,279
Public assistance	78,932,895						78,932,895
Education	8,019,120						8,019,120
Recreation and cultural services	718,490						718,490
Debt service:							
Interest and fiscal charges		917,367		3,483,976	2,528,905	3,193,487	10,123,735
Principal		674,165		7,721,640	8,905,000	1,550,000	18,850,805
Capital outlay		3,504,635	10,430,732				13,935,367
Total expenditures	204,219,155	5,096,167	10,430,732	11,205,616	11,433,905	4,743,487	247,129,062
Revenues over (under) expenditures	(8,645,980)	46,586	(1,595,559)	(10,918,361)	(10,470,901)	23,829	(31,560,386)
Other financing sources (uses):							
Transfers in	30,121,011		3,903,095	10,569,968	10,204,839		54,798,913
Transfers out	(3,815,387)	(6,499)	(1,261,119)				(5,083,005)
Sale of fixed assets	41,495						41,495
Total other financing sources (uses)	26,347,119	(6,499)	2,641,976	10,569,968	10,204,839		49,757,403
Net changes in fund balances	17,701,139	40,087	1,046,417	(348,393)	(266,062)	23,829	18,197,017
Fund balances -- beginning	43,445,969	18,425,130	10,668,870	10,573,508	160,347	4,763,409	88,037,233
Prior year adjustment		728					728
Fund balances at beginning of year, as restated	43,445,969	18,425,858	10,668,870	10,573,508	160,347	4,763,409	88,037,961
Fund balances -- ending	$ 61,147,108	$ 18,465,945	$ 11,715,287	$ 10,225,115	$ (105,715)	$ 4,787,238	$ 106,234,978

Non-major Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

Environmental Resources

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

Public Works – Engineering

This fund was established to provide engineering services to other divisions in the Public Works Department and other County departments. Revenue consists primarily of charges for services.

Road and Bridge

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

Employment and Training

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

Child Support Services

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

Public Authority

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

Health Services Agency

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

Indigent Health Care

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

Library

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from general fund discretionary revenues and 1/8% sales tax increment beginning in July 1995.

Lighting Districts

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

All Other Special Revenue Funds

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Property Tax Administration Program
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Environmental Resources	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Assets						
Cash and investments	$ 4,816,954	$ 2,008,590	$ 18,227,537	$ 237,213	$	$
Account receivable (net of allowance for uncollectables)	629,379	51,314	729,862	945,347	754,096	1,935,904
Interest and other receivables	5,372		56,671		7,537	
Inventory			316,579			
Due from other funds	74,390					44,362
Prepaid items						
Total assets	$ 5,526,095	$ 2,059,904	$ 19,330,649	$ 1,182,560	$ 761,633	$ 1,980,266
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 154,670	$ 8,471	$ 853,638	$ 639,272	$ 21,732	$ 395,695
Salaries and benefits payable	190,155	152,802	122,197	189,601	370,228	
Due to other funds					2,710,885	727,777
Other current liabilities						
Deferred revenue						772,885
Advances from other funds						
Total Liabilities	344,825	161,273	975,835	828,873	3,102,845	1,896,357
Fund Balances						
Reserved for:						
Non Spendable	101,064	26,641	573,367	9,209	68,220	
Restricted	5,080,206	259,264	17,781,447	344,134	(2,409,432)	83,909
Committed						
Assigned		1,612,726		344		
Unassigned						
	5,181,270	1,898,631	18,354,814	353,687	(2,341,212)	83,909
Total liabilities and fund balances	$ 5,526,095	$ 2,059,904	$ 19,330,649	$ 1,182,560	$ 761,633	$ 1,980,266

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Assets
$ 1,748,035	$ 810,956	$ 4,094,317	$ 152,284	$ 28,884,557	$ 60,980,443	Cash and investments
2,964,170	571,977	833,108		3,052,440	12,467,597	Account receivable (net of allowance for uncollectables)
2,069	1,662		379	26,902	100,592	Interest and other receivables
103,849					420,428	Inventory
345,462	793,494				1,257,708	Due from other funds
112,963	31			1,400	114,394	Prepaid items
$ 5,276,548	$ 2,178,120	$ 4,927,425	$ 152,663	$ 31,965,299	$ 75,341,162	Total assets
						Liabilities and Fund Balances
						Liabilities
$ 1,007,831	$ 2,344,354	$ 67,929	$ 21,145	$ 1,719,358	$ 7,234,095	Accounts payable
682,850	72,265	168,770		159,996	2,108,864	Salaries and benefits payable
					3,438,662	Due to other funds
26				278	304	Other current liabilities
458,991	61,406			18,847	1,312,129	Deferred revenue
				100,000	100,000	Advances from other funds
2,149,698	2,478,025	236,699	21,145	1,998,479	14,194,054	Total Liabilities
						Fund Balances
						Reserved for:
507,496	71,517	134,922	1,364	7,364,641	8,858,441	Non Spendable
2,845,209	9,397	4,555,804	130,154	19,636,751	48,316,843	Restricted
				889,097	889,097	Committed
				2,076,331	3,689,401	Assigned
(225,855)	(380,819)				(606,674)	Unassigned
3,126,850	(299,905)	4,690,726	131,518	29,966,820	61,147,108	
$ 5,276,548	$ 2,178,120	$ 4,927,425	$ 152,663	$ 31,965,299	$ 75,341,162	Total liabilities and fund balances

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Environmental Resources	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Revenues:						
Taxes	$	$	$ 1,354,042	$	$	$
Licenses, permits and franchises		1,430,286	20,200			
Fines, forfeitures and penalties	50,066					
Revenue from use of money and property	15,782		292,496		25,605	366
Intergovernmental revenue	1,015,856	132,967	25,178,975	13,438,837	11,191,502	52,987,249
Charges for services	6,512,427	4,564,787	261,548	6,313,167		
Miscellaneous revenue	22,422	1,734	19,514	32,607		178,412
Total revenues	7,616,553	6,129,774	27,126,775	19,784,611	11,217,107	53,166,027
Expenditures:						
General						
Public protection	7,869,247	1,407,834			14,771,143	
Public ways and facilities		4,571,450	28,320,799			
Health and sanitation						
Public assistance				19,219,637		56,250,619
Education						
Recreation and cultural services						
Total expenditures	7,869,247	5,979,284	28,320,799	19,219,637	14,771,143	56,250,619
Revenues over (under) expenditures	(252,694)	150,490	(1,194,024)	564,974	(3,554,036)	(3,084,592)
Other financing sources (uses):						
Transfers in	1,207,698	482,640	7,654,119			2,778,853
Transfers out	(182,539)	(146,764)	(114,338)	(172,992)	(343,488)	
Sale of fixed assets						
Total other financing sources (uses)	1,025,159	335,876	7,539,781	(172,992)	(343,488)	2,778,853
Net change in fund balance	772,465	486,366	6,345,757	391,982	(3,897,524)	(305,739)
Fund balances – beginning	4,408,805	1,412,265	12,009,057	(38,295)	1,556,312	389,648
	$ 5,181,270	$ 1,898,631	$ 18,354,814	$ 353,687	$ (2,341,212)	$ 83,909

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Revenues:
$	$	$ 7,200,286	$ 55,252	$ 1,079,567	$ 9,689,147	Taxes
8,522					1,459,008	Licenses, permits and franchises
193,154	1,174,270			736,280	2,153,770	Fines, forfeitures and penalties
						Revenue from use of money
5,943	6,228	2,000	1,553	198,085	548,058	and property
12,612,023	2,593,496	348,125	688	16,153,258	135,652,976	Intergovernmental revenue
9,954,562	991,703	304,113	295,780	3,091,052	32,289,139	Charges for services
277,835	441	110,925	781	13,136,406	13,781,077	Miscellaneous revenue
23,052,039	4,766,138	7,965,449	354,054	34,394,648	195,573,175	Total revenues
						Expenditures:
				22,532	22,532	General
			311,916	16,009,450	40,369,590	Public protection
					32,892,249	Public ways and facilities
26,624,314	16,639,965				43,264,279	Health and sanitation
				3,462,639	78,932,895	Public assistance
		8,019,137		(17)	8,019,120	Education
				718,490	718,490	Recreation and cultural services
26,624,314	16,639,965	8,019,137	311,916	20,213,094	204,219,155	Total expenditures
(3,572,275)	(11,873,827)	(53,688)	42,138	14,181,554	(8,645,980)	Revenues over (under) expenditures
						Other financing sources (uses):
3,754,748	11,316,949	902,585	5,600	2,017,819	30,121,011	Transfers in
(547,134)	(63,784)	(138,125)		(2,106,223)	(3,815,387)	Transfers out
				41,495	41,495	Sale of fixed assets
3,207,614	11,253,165	764,460	5,600	(46,909)	26,347,119	Total other financing sources (uses)
(364,661)	(620,662)	710,772	47,738	14,134,645	17,701,139	Net change in fund balance
3,491,511	320,757	3,979,954	83,780	15,832,175	43,445,969	Fund balances – beginning
$ 3,126,850	$ (299,905)	$ 4,690,726	$ 131,518	$ 29,966,820	$ 61,147,108	

Stanislaus
County
Striving to be the Best

Non-major Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

County Transit System

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

Geer Road Sanitary Landfill

The Geer Road Sanitary Landfill Fund was established to account for the operation of Geer Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. The landfill was closed in July 1990 and is jointly owned with the City of Modesto.

Inmate Welfare/Commissary

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

County of Stanislaus
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2011

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
ASSETS:				
Current Assets:				
Cash and investments	$ 2,972,926	$ 673,346	$ 349,343	$ 3,995,615
Accounts receivable, net	853,655		48,891	902,546
Interest and other receivables	8,743	8,462	964	18,169
Inventory			26,216	26,216
Total current assets	3,835,324	681,808	425,414	4,942,546
Noncurrent assets:				
Restricted cash and investments		2,382,710		2,382,710
Capital assets:				
Land and right of ways		1,906,261		1,906,261
Building and improvements			216,731	216,731
Equipment	5,444,825		144,907	5,589,732
Construction in progress	39,721			39,721
Less: Accumulated depreciation	(2,198,903)		(169,161)	(2,368,064)
Total noncurrent assets	3,285,643	4,288,971	192,477	7,767,091
Total assets	7,120,967	4,970,779	617,891	12,709,637
LIABILITIES:				
Current liabilities:				
Accounts payable	483,358	83,884	68,794	636,036
Salaries and benefits payable	11,113		7,112	18,225
Liability for compensated absences - current			414	414
Total current liabilities	494,471	83,884	76,320	654,675
Noncurrent liabilities				
Estimated cost of closure/postclosure		5,628,883		5,628,883
Liability for compensated absences	54,999		16,842	71,841
Other post-empolyment benefits (OPEB)	5,302		12,475	17,777
Total noncurrent liabilities	60,301	5,628,883	29,317	5,718,501
Total liabilities	554,772	5,712,767	105,637	6,373,176
NET ASSETS:				
Invested in capital assets, net of related debt	3,285,643	1,906,261	192,477	5,384,381
Restricted		3,215,139		3,215,139
Unrestricted	3,280,552	(5,863,388)	319,777	(2,263,059)
Total net assets	$ 6,566,195	$ (741,988)	$ 512,254	$ 6,336,461

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2011

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
Operating revenues:				
Charges for services	$ 502,138	$	$ 1,180,418	$ 1,682,556
Total operating revenues	502,138		1,180,418	1,682,556
Operating expenses:				
Salaries and benefits	364,460		363,039	727,499
Services and supplies	3,132,706		958,028	4,090,734
Depreciation	474,645		23,865	498,510
Total operating expenses	3,971,811		1,344,932	5,316,743
Operating income (loss)	(3,469,673)		(164,514)	(3,634,187)
Nonoperating revenues (expenses)				
Investment income	37,826	32,989	2,740	73,555
Intergovernmental	3,924,670			3,924,670
Total nonoperating revenues (expenses)	3,962,496	32,989	2,740	3,998,225
Income before contributions and transfers	492,823	32,989	(161,774)	364,038
Transfers in		450,000		450,000
Transfers out	(10,238)		(10,029)	(20,267)
Change in net assets	482,585	482,989	(171,803)	793,771
Total net assets - beginning	6,083,610	(1,224,977)	684,057	5,542,690
Total net assets - ending	$ 6,566,195	$ (741,988)	$ 512,254	$ 6,336,461

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in general, special revenue, or enterprise funds.

General Liability Insurance

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

Unemployment Insurance

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

Workers' Compensation Insurance

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

Purchased Insurance

This fund accounts for insurance purchased from outside vendors for health and life insurance. Revenues are generated by premiums paid by other funds.

Dental Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

Vision Care Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

INTERNAL SERVICE FUNDS
(Continued)

Professional Liability Insurance

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

Central Services

This fund was established to account for the cost of issuing supplies and food items, printing, duplication, postage, mail room service, and messenger service. Revenues are generated based on billings for services provided.

Fleet Services

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

Technology and Communications

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

Morgan Shop Garage

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

County of Stanislaus
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
ASSETS:						
Cash and investments	$ 2,093,467	$ 898,391	$ 20,283,874	$ 17,661	$ 1,192,744	$ 1,013,250
Accounts receivable, net	180,287		5,199			
Interest and other receivables	7,675	2,852	61,680		2,741	2,696
Inventory						
Deposit with others			500,000			
Prepaid items	2,250					
Total current assets	2,283,679	901,243	20,850,753	17,661	1,195,485	1,015,946
Capital assets:						
Intangible assets						
Structures and improvements						
Equipment						
Less: Accumulated depreciation						
Net capital assets						
Total assets	2,283,679	901,243	20,850,753	17,661	1,195,485	1,015,946
LIABILITIES:						
Current liabilities						
Accounts payable	85,277	310,699	82,661		172,046	128882
Salaries and benefits payable						
Risk management liability-current	1,909,567	310,699	3,578,015		250,349	49,300
Capital lease - current						
Compensated absences - current						
Total current liabilities	1,994,844	621,398	3,660,676		422,395	178,182
Noncurrent liabilities						
Risk management liability	1,978,433		17,056,985			
Capital leases payable						
Compensated absences						
Other post-employment benefits						
Total noncurrent liabilities	1,978,433		17,056,985			
Total liabilities	3,973,277	621,398	20,717,661		422,395	178,182
NET ASSETS (DEFICIT) :						
Invested in capital assets, net of related debt						
Unrestricted	(1,689,598)	279,845	133,092	17,661	773,090	837,764
Total net assets (deficit)	$ (1,689,598)	$ 279,845	$ 133,092	$ 17,661	$ 773,090	$ 837,764

County of Stanislaus
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2011

Self Insurance funds: Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						ASSETS:
$ 1,732,036	$ 249,084	$ 253,217	$ 4,197,048	$ 2,197,446	$ 34,128,218	Cash and investments
	15,429	8,754	2,904	572,872	785,445	Accounts receivable, net
4,851					82,495	Interest and other receivables
	50,860	64,603		73,549	189,012	Inventory
					500,000	Deposit with others
					2,250	Prepaid items
1,736,887	315,373	326,574	4,199,952	2,843,867	35,687,420	Total current assets
						Capital assets:
			2,929,902		2,929,902	Intangible assets
	11,735	990,773			1,002,508	Structures and improvements
	204,058	6,037,309	4,553,207	14,168,758	24,963,332	Equipment
	(185,102)	(5,757,452)	(4,553,798)	(7,327,097)	(17,823,449)	Less: Accumulated depreciation
	30,691	1,270,630	2,929,311	6,841,661	11,072,293	Net capital assets
1,736,887	346,064	1,597,204	7,129,263	$ 9,685,528	46,759,713	Total assets
						LIABILITIES:
						Current liabilities
19,274	12,528	137,199	152,068	$ 73,017	1,173,651	Accounts payable
	10,360	18,827	74,116	20,863	124,166	Salaries and benefits payable
490,901					6,588,831	Risk management liability-current
	4,124				4,124	Capital lease - current
	750	1,684	22,619	941	25,994	Compensated absences - current
510,175	27,762	157,710	248,803	94,821	7,916,766	Total current liabilities
						Noncurrent liabilities
557,099					19,592,517	Risk management liability
	6,311				6,311	Capital leases payable
	44,899	108,362	391,305	112,805	657,371	Compensated absences
	24,163	16,419	43,879	15,630	100,091	Other post-employment benefits
557,099	75,373	124,781	435,184	128,435	20,356,290	Total noncurrent liabilities
1,067,274	103,135	282,491	683,987	223,256	28,273,056	Total liabilities
						NET ASSETS (DEFICIT) :
						Invested in capital assets,
	20,256	1,270,630	2,929,311	6,841,661	11,061,858	net of related debt
669,613	222,673	44,083	3,515,965	2,620,611	7,424,799	Unrestricted
$ 669,613	$ 242,929	$ 1,314,713	$ 6,445,276	9,462,272	$ 18,486,657	Total net assets (deficit)

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
Operating revenues:						
Charges for services	$ 4,160,173	$ 1,392,297	$ 1,140,593	$ 42,933,613	$ 4,362,665	$ 965,575
Total operating revenues	4,160,173	1,392,297	1,140,593	42,933,613	4,362,665	965,575
Operating expenses:						
Salaries and benefits						
Services and supplies	3,740,124	1,531,991	5,173,165	42,971,214	4,123,858	815,695
Depreciation						
Total operating expenses	3,740,124	1,531,991	5,173,165	42,971,214	4,123,858	815,695
Operating income (loss)	420,049	(139,694)	(4,032,572)	(37,601)	238,807	149,880
Nonoperating revenues (expenses):						
Interest income	17,895	10,566	219,446		11,765	12,074
Interest expense						
Intergovernmental	76,355	11,375	24,702			
Gain (loss) on sale of capital assets						
Total nonoperating revenues (expenses), net	94,250	21,941	244,148		11,765	12,074
Income (loss) before contributions and transfers	514,299	(117,753)	(3,788,424)	(37,601)	250,572	161,954
Transfers in	1,185					
Transfers out	(18,807)					
Changes in net assets	496,677	(117,753)	(3,788,424)	(37,601)	250,572	161,954
Total net assets (deficit) - beginning	(2,186,275)	397,598	3,921,516	55,262	522,518	675,810
Total net assets (deficit) - ending	$ (1,689,598)	$ 279,845	$ 133,092	$ 17,661	$ 773,090	$ 837,764

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

Self Insurance funds Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						Operating revenues:
$ 1,182,438	$ 799,634	$ 1,948,745	$ 5,115,632	$ 2,853,345	$ 66,854,710	Charges for services
1,182,438	799,634	1,948,745	5,115,632	2,853,345	66,854,710	Total operating revenues
						Operating expenses:
	450,923	742,577	2,784,269	717,210	4,694,979	Salaries and benefits
918,776	286,894	1,234,441	1,655,842	1,443,304	63,895,304	Services and supplies
	12,146	338,873	415,782	837,709	1,604,510	Depreciation
918,776	749,963	2,315,891	4,855,893	2,998,223	70,194,793	Total operating expenses
263,662	49,671	(367,146)	259,739	(144,878)	(3,340,083)	Operating income (loss)
						Nonoperating revenues (expenses):
17,797					289,543	Interest income
	(803)				(803)	Interest expense
	22,721	38,434	58,511	3,217,877	3,449,975	Intergovernmental
	7,920	5,653		28,835	42,408	Gain (loss) on sale of capital assets
17,797	29,838	44,087	58,511	3,246,712	3,781,123	Total nonoperating revenues (expenses), net
281,459	79,509	(323,059)	318,250	3,101,834	441,040	Income (loss) before contributions and transfers
	15,762			1,526	18,473	Transfers in
(1,096,840)	(13,082)	(20,976)	(179,826)	(20,178)	(1,349,709)	Transfers out
(815,381)	82,189	(344,035)	138,424	3,083,182	(890,196)	Changes in net assets
1,484,994	160,740	1,658,748	6,306,852	6,379,090	19,376,853	Total net assets (deficit) - beginning
$ 669,613	$ 242,929	$ 1,314,713	$ 6,445,276	$ 9,462,272	$ 18,486,657	Total net assets (deficit) - ending

Stanislaus
County
Striving to be the Best

Statistical Information

County of Stanislaus
Net Assets by Component
(accrual basis of accounting)
Last Ten Fiscal Years

	2002 as restated	2003 as restated	2004	2005 as restated	2006 as restated	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	$ 502,867,315	$ 496,673,006	$ 495,467,522	$ 486,725,321	$ 468,897,825	$ 464,402,025	$ 435,204,374	$ 418,149,972	$ 397,176,565	$ 393,212,996
Restricted	170,994,690	171,348,552	111,663,081	127,009,622	152,249,240	163,255,952	193,992,595	189,524,182	182,467,381	291,389,268
Restricted by enabling legislation				20,529	126,604					
Unrestricted (deficit)	(30,001,296)	(70,833,738)	(22,784,867)	10,909,303	36,961,726	64,162,858	72,110,910	81,056,076	53,951,001	(47,246,228)
Total governmental activities net assets	$ 643,860,709	$ 597,187,820	$ 584,345,736	$ 624,664,775	$ 658,235,395	$ 691,820,835	$ 701,307,879	$ 688,730,230	$ 633,594,947	637,356,036
Business-type activities										
Invested in capital assets, net of related debt	$ 22,441,843	$ 22,276,120	$ 24,016,538	$ 27,911,764	$ 29,741,803	$ 29,205,014	$ 23,544,958	$ 24,087,472	$ 24,537,140	$ 24,275,953
Restricted	19,420,965	21,030,306	17,058,797	16,464,101	17,484,367	18,925,816	20,404,464	20,831,269	20,697,693	20,453,722
Restricted by enabling legislation										
Unrestricted (deficit)	(26,574,831)	(32,132,595)	(19,977,851)	(19,270,657)	(24,034,466)	(22,237,324)	(6,364,621)	(13,496,679)	(14,739,508)	(13,181,272)
Total business-type activities net assets	$ 15,287,977	$ 11,173,831	$ 21,097,484	$ 25,105,208	$ 23,191,704	$ 25,893,506	$ 37,584,801	$ 31,422,062	$ 30,495,325	$ 31,548,403
Primary government										
Invested in capital assets, net of related debt	$ 525,309,158	$ 518,949,126	$ 519,484,060	$ 514,637,085	$ 498,639,628	$ 493,607,039	$ 458,749,332	$ 442,237,444	$ 421,713,705	$ 417,488,949
Restricted	190,415,655	192,378,858	128,721,878	143,473,723	169,733,607	182,181,768	214,397,059	210,355,451	203,165,074	311,842,990
Restricted by enabling legislation				20,529	126,604					
Unrestricted	(56,576,127)	(102,966,333)	(42,762,718)	(8,361,354)	12,927,260	41,925,534	65,746,289	67,559,397	39,211,493	(60,427,500)
Total primary government net assets	$ 659,148,686	$ 608,361,651	$ 605,443,220	$ 649,769,983	$ 681,427,099	$ 717,714,341	$ 738,892,680	$ 720,152,292	$ 664,090,272	$ 668,904,439

County of Stanislaus
Changes in Net Assets
(accrual basis of accounting)
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	$ 40,719,666	$ 48,391,005	$ 44,290,347	$ 43,758,556	$ 46,905,827	$ 40,326,944	$ 43,025,653	$ 41,874,466	$ 53,939,423	$ 39,047,915
Public protection	136,575,084	143,930,821	146,200,826	153,222,823	171,456,271	179,232,723	191,239,717	188,612,369	187,171,627	178,821,359
Public ways and facilities	33,500,529	39,214,960	45,291,400	49,611,339	43,300,626	48,425,573	55,988,788	53,935,268	48,937,845	35,995,934
Health and sanitation	99,938,442	103,632,801	103,788,932	104,052,780	107,002,519	117,136,073	121,365,271	117,806,204	123,260,103	130,697,663
Public assistance	210,016,007	205,434,527	204,811,256	216,024,493	226,912,785	234,184,853	259,362,079	269,101,718	280,497,676	280,276,073
Education	8,979,780	9,628,228	10,553,123	11,455,049	11,617,617	13,230,701	15,610,881	14,687,440	12,784,666	9,726,317
Recreation	4,786,457	6,062,670	6,710,196	5,367,318	5,936,392	5,172,418	6,879,842	5,811,357	6,986,331	5,171,457
Interest and fiscal charges on long-term debt	11,720,293	11,582,666	17,522,288	17,509,698	15,794,464	18,532,357	16,122,979	15,244,566	16,481,243	14,149,048
Total governmental activities expenses	546,236,258	567,877,678	579,168,368	601,002,056	628,926,501	656,241,642	709,595,210	707,073,388	730,058,914	693,885,766
Business-type activities:										
Landfills	7,184,548	7,659,100	4,295,808	1,837,850	4,264,879	4,495,812	4,561,797	4,766,494	8,600,496	5,020,344
Waste-to-Energy	6,879,368									
Behavioral Health	14,019,815	13,799,708	16,655,727	16,256,875	16,574,026	14,981,467	3,403,472	(2,472)		
Health Clinics and Ancillary	36,353,822	37,321,847	40,143,654	42,296,204	47,386,656	46,566,334	44,898,435	44,109,491	47,269,019	42,109,590
Inmate Welfare and Commissary	1,317,672	1,437,906	1,718,460	1,861,958	1,448,930	1,553,968	1,555,411	1,864,632	1,820,149	1,344,932
Transit	1,951,513	2,082,555	2,348,014	2,953,712	2,621,053	2,879,015	3,133,519	3,588,704	3,784,351	3,971,811
Total business-type activities expenses	67,706,738	62,301,116	65,161,663	65,206,599	72,295,544	70,476,596	57,552,634	54,326,849	61,474,015	52,446,677
Total primary government expenses	$ 613,942,996	$ 630,178,794	$ 644,330,031	$ 666,208,655	$ 701,222,045	$ 726,718,238	$ 767,147,844	$ 761,400,237	$ 791,532,929	$ 746,332,443
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 24,217,304	$ 23,686,029	$ 17,555,386	$ 25,096,648	$ 25,071,142	$ 24,445,799	$ 28,325,318	$ 29,188,498	$ 25,288,833	$ 21,461,403
Public protection	33,777,480	33,973,505	40,883,130	47,523,591	47,598,437	45,100,432	44,468,709	42,232,145	40,563,656	39,900,420
Public ways and facilities	2,100,852	1,990,484	12,520,953	14,937,803	13,523,739	11,821,776	10,880,736	7,689,430	6,969,697	5,782,680
Health and sanitation	26,121,085	24,778,203	26,047,686	27,706,588	34,027,134	32,012,248	33,728,583	30,132,125	35,071,044	34,607,863
Public assistance	3,360,030	4,139,918	3,241,588	5,144,987	4,562,731	4,454,712	4,306,559	4,276,140	7,475,063	8,130,839
Education	591,882	387,553	1,958,812	2,597,282	1,791,647	1,119,156	929,447	525,221	456,577	365,953
Recreation	3,564,748	2,100,374	3,383,321	4,303,898	4,195,225	3,785,258	3,464,167	2,795,544	2,791,644	2,841,387
Operating grants and contributions	340,536,926	332,085,792	335,349,242	346,718,321	373,932,272	388,750,336	407,883,255	404,255,872	415,579,530	422,599,832
Capital grants and contributions	19,854,710	23,552,188	11,639,869	18,080,864	17,156,592	23,998,543	24,598,071	25,452,497	19,331,088	18,457,150
Total governmental activities program revenues	454,125,017	446,694,046	452,579,987	492,109,982	521,858,919	535,488,260	558,584,845	546,547,472	553,527,132	554,147,527
Business-type activities:										
Charges for services:										
Landfills	5,623,173	4,793,867	4,941,990	5,785,376	5,941,134	5,316,886	5,976,090	4,902,033	4,220,903	4,208,446
Waste-to-Energy	8,556,601									
Behavioral Health	12,487,670	14,756,842	16,138,480	15,994,328	17,043,260	13,767,234	2,747,730			
Health Clinics and Ancillary	37,767,463	37,576,983	39,969,644	38,144,080	36,897,631	27,505,872	40,609,257	40,307,063	44,994,702	39,625,230
Inmate Welfare and Commissary	1,410,094	1,226,081	1,230,589	1,387,650	1,587,772	1,584,935	1,576,214	1,568,646	1,379,595	1,180,418
Transit	178,400	196,832	248,081	280,470	270,282	271,523	287,648	363,804	346,729	502,139
Operating grants and contributions	808,097	514,380	2,113,508	945,523	1,172,645	1,906,353	2,567,553	2,952,731	1,296,301	1,470,103
Capital grants and contributions	2,322,034		133,483	2,106,894	219,614		742,258			
Total business-type activities program revenues	69,153,532	59,064,985	64,775,775	64,644,321	63,132,338	50,352,803	54,506,750	50,094,277	52,238,230	46,986,336
Total primary government program revenues	$ 523,278,549	$ 505,759,031	$ 517,355,762	$ 556,754,303	$ 584,991,257	$ 585,841,063	$ 613,091,595	$ 596,641,749	$ 605,765,362	$ 601,133,863

County of Stanislaus
Changes in Net Assets (continued)
(accrual basis of accounting)
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense) revenue										
Governmental activities	$ (92,111,241)	$ (121,183,632)	$ (126,588,381)	$ (108,892,074)	$ (107,067,582)	$ (120,753,382)	$ (151,010,365)	$ (160,525,916)	$ (176,531,782)	$ (139,738,239)
Business-type activities	1,446,794	(3,236,131)	(385,888)	(562,278)	(9,163,206)	(20,123,793)	(3,045,884)	(4,232,568)	(9,235,785)	(5,460,341)
Total primary government net expense	$ (90,664,447)	$ (124,419,763)	$ (126,974,269)	$ (109,454,352)	$ (116,230,788)	$ (140,877,175)	$ (154,056,249)	$ (164,758,484)	$ (185,767,567)	$ (145,198,580)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 29,325,476	$ 31,561,725	$ 34,432,004	36,762,205	91,742,755	106,497,765	113,743,380	103,175,578	83,397,110	90,486,458
Sales taxes	23,656,194	26,468,757	27,480,214	29,434,230	32,547,462	32,520,456	29,552,774	26,568,776	20,677,876	23,329,577
Other taxes	2,603,661	2,918,028	3,787,530	4,667,735	4,693,426	3,390,027	2,583,804	2,765,178	2,220,643	2,157,019
Franchise fees	1,221,235	918,309	1,020,333	1,015,443	1,053,101	1,090,128	1,126,758	1,175,849	958,324	1,005,292
Payment in lieu of taxes										
Motor vehicle license	30,646,886	32,658,197	25,906,813	44,584,362						
Open space subvention	1,803,361	1,737,231	1,691,748	1,670,086	1,609,009	1,545,374	1,466,943	1,332,316		
Rental income	710,984									
Unrestricted investment earnings	5,476,077	3,646,615	2,550,113	10,552,047	8,678,242	13,903,636	11,247,849	7,448,383	9,327,724	8,173,086
Miscellaneous	11,123,678	11,648,645	11,543,413	12,506,005	9,652,580	9,516,094	10,011,674	9,734,087	7,719,050	21,020,693
Donation			13,537,658	9,460,780						
Gain (loss) on sale of fixed assets	(1,684,661)									
Special Item-proceeds of tobacco securitization	52,403,206									
Transfers	3,161,648	5,341,969	(8,203,529)	(1,441,780)	(9,338,373)	(14,124,658)	(11,265,358)	(4,251,900)	(5,250,856)	(2,673,525)
Total governmental activities	160,447,745	116,899,476	113,746,297	149,211,113	140,638,202	154,338,822	158,467,824	147,948,267	119,049,871	143,498,600
Business-type activities:										
Sales taxes	1,606,502	1,892,035		2,422,965	2,506,291	2,626,260	2,528,268	2,781,611	2,962,729	3,026,730
Unrestricted investment earnings	2,479,622	2,571,919	2,106,012	705,257	631,598	848,117	943,553	673,368	95,463	813,164
Gain (loss) on sale of fixed assets	(11,801)									
Transfers	(3,161,648)	(5,341,969)	8,203,529	1,441,780	9,338,373	14,124,658	11,265,358	4,251,900	5,250,856	2,673,525
Total business-type activities	912,675	(878,015)	10,309,541	4,570,002	12,476,262	17,599,035	14,737,179	7,706,879	8,309,048	6,513,419
Total primary government	$ 161,360,420	$ 116,021,461	$ 124,055,838	$ 153,781,115	$ 153,114,464	$ 171,937,857	$ 173,205,003	$ 155,655,146	$ 127,358,919	$ 150,012,019
Change in Net Assets										
Governmental activities	$ 68,336,504	$ (4,284,156)	$ (12,842,084)	$ 40,319,039	$ 33,570,620	$ 33,585,440	$ 7,457,459	$ (12,577,649)	$ (57,481,911)	$ 3,760,361
Business-type activities	2,359,469	(4,114,146)	9,923,653	4,007,724	3,313,056	(2,524,758)	11,691,295	3,474,311	(926,737)	1,053,078
Total primary government	$ 70,695,973	$ (8,398,302)	$ (2,918,431)	$ 44,326,763	$ 36,883,676	$ 31,060,682	$ 19,148,754	$ (9,103,338)	$ (58,408,648)	$ 4,813,439

County of Stanislaus
Governmental Activities Tax Revenues by Source
(accrual basis of accounting)
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total	
2002	$ 29,325,476	$ 23,656,194	$ 2,603,661	$ 55,585,331	
2003	31,561,725	26,468,757	2,918,028	60,948,510	
2004	34,432,004	27,480,214	3,787,530	65,699,748	
2005	36,762,205	29,434,230	4,667,735	70,864,170	
2006	91,742,755	32,547,462	4,693,426	128,983,643	(1)
2007	106,497,765	32,520,456	3,390,027	142,408,248	
2008	113,743,380	29,552,774	2,583,804	145,879,958	
2009	103,175,578	26,568,776	2,765,178	132,509,532	
2010	83,397,110	20,677,876	2,220,643	106,295,629	
2011	90,486,461	23,329,577	2,157,019	115,973,057	

(1) Over $46 million ot the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

County of Stanislaus
Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Reserved	$ 16,910,835	$ 23,941,306	$ 25,354,279	$ 25,924,335	$ 31,767,114	$ 44,479,034	$ 62,679,395	$ 41,020,498	$ 33,648,284	$
Unreserved	38,924,411	35,999,464	33,292,699	56,023,028	74,630,642	72,660,005	61,246,112	81,512,275	72,768,168	
Non-spendable										
Imprest cash										91,835
Investment fair value adjustment										1,095,277
Advance to other funds										100,000
Advance to other governments										4,396,259
Teeter receivable										18,012,420
Prepaid items										216,186
Encumbrances										1,264,780
Restricted										3,902,067
Committed										7,360,782
Assigned										51,067,462
Unassigned										20,761,362
Total general fund	$ 55,835,246	$ 59,940,770	$ 58,646,978	$ 81,947,363	$ 106,397,756	$ 117,139,039	$ 123,925,507	$ 122,532,773	$ 106,416,452	$ 108,268,430
All other governmental funds										
Reserved	$ 32,322,226	37,071,720	108,136,528	67,918,410	48,258,775	41,362,101	33,055,756	44,950,684	38,392,864	
Unreserved, reported in:										
Special revenue funds	113,216,454	107,689,217	110,031,476	109,598,487	163,006,645	163,980,081	167,860,880	165,211,615	166,634,879	
Capital project funds	51,563,966	47,090,116	25,250,961	68,311,908	101,602,439	116,592,397	127,469,211	113,352,227	107,615,020	
Debt service funds	7,288,740	4,631,675	2,527,799	1,177,586	86,286	716,295	803,917	(53,215)	343,325	
Non-spendable										
Imprest cash										45,835
Cash with fiscal agent										11,934,558
Investment fair value adjustment										1,862,357
Advance to other governments										21,207
Prepaid items										117,016
Inventory										420,428
Encumbrances										10,696,501
Restricted										275,406,521
Committed										7,673,957
Assigned										6,828,206
Unassigned										(606,674)
Total all other governmental funds	$ 204,391,386	$ 196,482,728	$ 245,946,764	$ 247,006,391	$ 312,954,145	$ 322,650,874	$ 329,189,764	$ 323,461,311	$ 312,986,088	$ 314,399,912

County of Stanislaus
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$ 55,585,337	$ 60,948,505	$ 65,574,750	$ 70,907,713	$ 128,897,810	$ 142,332,996	$ 146,040,455	$ 132,516,011	$ 106,302,266	$ 116,024,106
Licenses, permits and franchises	3,514,853	3,406,830	4,522,962	5,229,280	5,795,146	5,632,176	4,850,084	4,362,507	3,779,539	3,346,635
Fines, forfeitures and penalties	6,978,905	7,993,664	6,458,261	8,249,576	12,293,083	13,334,536	16,471,765	18,740,397	15,853,039	14,102,259
Revenue from use of money and property	10,439,033	7,908,954	5,385,832	14,087,837	14,851,573	23,993,844	20,366,844	13,135,585	11,628,724	10,951,594
Intergovernmental revenue	382,418,947	379,661,625	374,587,670	404,173,862	385,428,573	399,060,197	423,136,156	424,320,463	432,391,862	437,920,991
Charges for services	87,224,458	84,689,346	96,416,581	110,621,879	113,569,885	105,010,453	106,066,595	95,147,099	99,969,868	96,719,319
Miscellaneous revenue	11,091,239	11,648,645	11,543,413	12,513,789	9,652,580	9,516,094	10,012,180	9,734,085	7,700,801	20,758,655
Donation			13,537,658	6,145,113		3,736,752				188,052
Total revenues	557,252,772	556,257,569	578,027,127	631,929,049	670,488,650	702,617,048	726,944,079	697,956,147	677,626,099	700,011,611
Expenditures										
General	36,494,615	39,042,574	38,197,737	38,619,527	44,505,563	36,843,138	42,117,731	35,384,104	32,492,953	32,199,947
Public Protection	133,205,484	140,359,147	142,936,105	155,069,132	164,830,857	181,167,098	191,335,195	187,668,670	184,488,026	164,981,273
Public ways and facilities	22,887,072	24,703,267	22,352,607	19,355,303	21,154,573	28,138,841	33,640,576	33,072,185	24,836,257	33,152,617
Health and sanitation	98,746,982	103,859,610	103,266,153	105,176,319	108,099,835	117,532,564	121,486,760	117,463,923	117,204,330	128,343,261
Public assistance	209,041,477	204,532,483	203,468,428	215,860,788	226,545,330	233,950,056	258,662,538	268,783,428	278,429,040	278,379,256
Education	12,950,762	9,449,163	9,676,337	10,055,515	10,522,628	12,683,522	14,038,114	12,614,620	11,426,521	8,439,844
Recreation and cultural services	4,401,008	5,433,031	6,606,007	4,260,721	4,414,323	5,288,606	6,548,470	5,393,150	5,180,469	5,147,480
Capital outlay	8,317,137	17,840,345	14,724,893	28,409,155	18,404,088	18,105,515	7,032,270	11,398,556	17,536,137	13,993,830
Debt Service										
Interest and fiscal charges	11,808,658	11,207,951	18,869,034	16,417,218	16,380,484	16,070,101	13,622,687	12,187,477	11,420,042	10,220,117
Principal	9,635,816	10,208,176	17,014,661	13,021,864	13,578,584	18,429,803	16,444,563	18,125,510	18,546,652	19,887,473
Total expenditures	547,489,011	566,635,747	577,111,962	606,245,542	628,436,265	668,209,244	704,928,904	702,091,623	701,560,427	694,745,098
Excess of revenues over (under) expenditures	9,763,761	(10,378,178)	915,165	25,683,507	42,052,385	34,407,804	22,015,175	(4,135,476)	(23,934,328)	5,266,513
Other financing sources (uses)										
Capital lease proceeds	309,984	290,938	29,651		219,767	129,559	254,451	1,005,918	1,224,693	363,711
Transfers in	84,654,371	75,409,177	68,602,177	67,662,570	78,628,427	77,077,052	81,047,677	84,579,807	67,347,196	74,906,929
Transfers out	(80,585,027)	(69,413,722)	(76,677,619)	(68,986,762)	(88,271,040)	(91,273,994)	(92,022,031)	(88,571,434)	(71,247,366)	(77,346,060)
Loan proceeds	4,516,403		47,408,114		15,615,000	42,081,614				
Sale of capital assets	7,722	288,640	6,710	697		15,401	501		18,266	73,981
Payment to refund bond agent						(41,999,424)				
Total other financing sources (uses)	8,903,453	6,575,033	39,369,033	(1,323,495)	6,192,154	(13,969,792)	(10,719,402)	(2,985,709)	(2,657,211)	(2,001,439)
Special item										
Proceeds of tobacco securitization	52,403,206				42,153,611					
Net change in fund balances	$ 71,070,420	$ (3,803,145)	$ 40,284,198	$ 24,360,012	$ 90,398,150	$ 20,438,012	$ 11,295,773	$ (7,121,185)	$ (26,591,539)	$ 3,265,074

County of Stanislaus
Net Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
2002/2003	$ 23,364,100,262	$ 1,315,502,382	$ 24,679,602,644	1.0%
2003/2004	$ 25,437,563,896	$ 1,448,952,923	$ 26,886,516,819	1.0%
2004/2005	$ 28,051,289,609	$ 1,417,019,559	$ 29,468,309,168	1.0%
2005/2006	$ 32,208,454,089	$ 1,587,421,541	$ 33,795,875,630	1.0%
2006/2007	$ 37,791,765,530	$ 1,680,662,352	$ 39,472,427,882	1.0%
2007/2008	$ 41,620,543,863	$ 1,724,988,175	$ 43,345,532,038	1.0%
2008/2009	$ 38,597,715,159	$ 1,826,743,622	$ 40,424,458,781	1.0%
2009/2010	$ 35,370,164,996	$ 1,926,983,957	$ 37,297,148,953	1.0%
2010/2011	$ 33,672,949,885	$ 1,885,958,178	$ 35,558,908,063	1.0%
2011/2012	$ 32,956,461,906	$ 1,818,628,853	$ 34,775,090,759	1.0%

Note: Values are net values of all exemptions except the Homeowners Property Tax Relief Exemption which is State subvented. However, adjustments and cancellations after publication of the roll are not included. Values do include the assessed value of non-commercial aircraft.

(1) Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the CCPI on properties not involved in a change of ownershi properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Resultantly, similar properties can have substantially different assessed values based on the date of purchase.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bo and special assessments. A small area of the County is taxed at a rate less than 1% due to a decrease of service in th

County of Stanislaus
Property Tax Rates and Distributions
of General Levy Property Tax Rate
Among Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Rates Per $100 of Assessed Valuation (Low)	(High)	County	Cities	(1) School District	(2) Special District	Total
2001/2002	0.9657	1.1382	11.53%	6.54%	73.80%	8.13%	100.00%
2002/2003	0.9498	1.1360	11.25%	6.49%	72.82%	9.44%	100.00%
2003/2004	0.9594	1.1280	11.18%	6.49%	73.24%	9.09%	100.00%
2004/2005	0.9500	1.1240	11.13%	6.49%	72.90%	9.48%	100.00%
2005/2006	0.9511	1.1668	10.88%	6.70%	72.28%	10.14%	100.00%
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%
2008/2009	0.9233	1.2053	10.98%	6.52%	71.11%	11.39%	100.00%
2009/2010	1.0202%	1.2168	11.09%	6.37%	71.23%	11.31%	100.00%
2010/2011	1.0259%	1.2440	11.07%	6.39%	71.57%	10.97%	100.00%

The County is divided into approximately 1,266 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts,dependent special districts,redevelopment agencies and County Fire Service.

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

		2010/2011			2001/2002		
Taxpayer	Secured Assessed Value	Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	Property Taxes	Rank	Percentage of Total Property Taxes
World International	$ 18,467,607	$ 3,020,643	1	0.6920%			
Gallo Glass Co	233,194,981	2,584,394	2	0.5921%	1,528,212	2	0.6443%
Gallo Winery	201,206,757	2,240,563	3	0.5133%	1,370,828	3	0.5780%
Pacific Gas and Electric	165,879,478	2,078,329	4	0.4761%	1,106,629	6	0.4666%
AT&T California	113,657,178	1,423,905	5	0.3262%			
Doctors Medical Center	122,103,700	1,326,157	6	0.3038%	1,265,622	5	0.5336%
Hunt Wesson Foods, Inc	112,983,862	1,276,895	7	0.2925%	1,083,894	7	0.4570%
Recot Inc (Frito Lay)	108,562,980	1,206,904	8	0.2765%			
Fresno Farming, LLC	85,530,809	1,184,262	9	0.2713%			
Foster Dairy Farms	106,846,247	1,182,842	10	0.2710%			
Pacific Bell					1,754,175	1	0.7396%
Signature Foods					1,274,687	4	0.5374%
Beard Industrial District					965,682	8	0.4072%
Del Monte Foods					908,328	9	0.3830%
Macerich Vintage Faire, Ltd.					834,253	10	0.3517%
Total	$1,268,433,599	$ 17,524,895		4.0149%	$ 12,092,310		5.0984%

County of Stanislaus
Property Tax Levy and Collections *
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2002	$ 251,556,329	$ 245,881,778	97.74%
2003	$ 274,749,639	$ 270,047,250	98.29%
2004	$ 303,836,456	$ 295,829,739	97.36%
2005	$ 333,902,361	$ 326,003,357	97.63%
2006	$ 396,734,408	$ 383,041,323	96.55%
2007	$ 461,085,798	$ 431,482,886	93.58%
2008	$ 505,125,278	$ 464,689,972	91.99%
2009	$ 474,286,882	$ 451,524,927	95.20%
2010	$ 446,704,648	$ 430,564,452	96.39%
2011	$ 436,493,485	$ 424,593,296	97.27%

* Includes all taxing authorities within the County excluding Airplane Tax.

County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2002	$ 24,289,534,754	1.25%	$ 303,619,184	$ -	$ 303,619,184	0%
2003	$ 26,535,421,401	1.25%	$ 331,692,768	$ -	$ 331,692,768	0%
2004	$ 29,160,150,955	1.25%	$ 364,501,887	$ -	$ 364,501,887	0%
2005	$ 33,476,100,273	1.25%	$ 418,451,253	$ -	$ 418,451,253	0%
2006	$ 39,155,801,284	1.25%	$ 489,447,516	$ -	$ 489,447,516	0%
2007	$ 42,974,745,064	1.25%	$ 537,184,313	$ -	$ 537,184,313	0%
2008	$ 40,026,418,777	1.25%	$ 500,330,235	$ -	$ 500,330,235	0%
2009	$ 37,297,148,953	1.25%	$ 466,214,362	$ -	$ 466,214,362	0%
2010	$ 35,558,908,063	1.25%	$ 444,486,351	$ -	$ 444,486,351	0%
2011	$ 34,775,090,795	1.25%	$ 434,688,635	$ -	$ 434,688,635	0%

Note: The legal debt limit percentage is set by statue. Debt includes only general obligation bonded debt supported by property taxes.

COUNTY OF STANISLAUS
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
(as of January 1, 2011)

2010-11 Assessed Valuation:	$35,558,908,063	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	3,181,248,344	
Adjusted Assessed Valuation:	$32,377,659,719	

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/11
Yosemite Community College District	69.890%	$215,847,570
Modesto High School District	100.000	56,048,450
Turlock Joint Union High School District	98.208	31,686,811
Ceres Unified School District	100.000	66,829,101
Newman-Crows Landing Unified School District	100.000	25,329,807
Oakdale Joint Unified School District	98.000	16,880,500
Patterson Joint Unified School District	98.832	32,545,229
Riverbank Unified School District	100.000	14,689,207
Other Unified School Districts	Various	43,423,191
Modesto City School District	100.000	14,842,782
Stanislaus Union School District	100.000	12,525,000
Sylvan School District	100.000	38,521,169
Other School Districts	Various	25,286,591
Oak Valley Hospital District	100.000	36,120,000
Newman Drainage District	100.000	225,000
Empire Union School District Community Facilities District No. 87-1	100.000	13,596,582
City Community Facilities Districts	100.000	120,150,000
Salida Area Community Facilities District No. 1988-1	100.000	33,235,000
Western Hills Water District Community Facilities District No. 1	100.000	50,250,000
City 1915 Act Bonds (Estimate)	100.000	11,241,659
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$859,273,649
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	**100.000%**	**$ 79,970,000**
Stanislaus County Pension Obligations	**100.000**	**30,875,000**
Stanislaus County Office of Education Certificates of Participation	100.000	4,490,000
Modesto High School and City School District Certificates of Participation	100.000	21,790,000
Ceres Unified School District Certificates of Participation	100.000	9,850,000
Newman-Crows Landing Unified School District	100.000	12,530,000
Salida Union School District Certificates of Participation	100.000	7,830,000
Other School District Certificates of Participation	Various	26,647,203
City of Modesto General Fund Obligations	100.000	84,955,000
City of Newman Certificates of Participation	100.000	1,800,000
Other City Certificates of Participation	100.000	4,453,296
Keyes Fire Protection District Certificates of Participation	100.000	139,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$285,329,499
Less: City of Newman Wastewater Certificates of Participation (100% self-supporting)		1,800,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$283,529,499
GROSS COMBINED TOTAL DEBT		$1,144,603,148[(1)]
NET COMBINED TOTAL DEBT		$1,142,803,148

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2010-11 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.42%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt ($110,845,000)	**0.34%**
Gross Combined Total Debt	3.54%
Net Combined Total Debt	3.53%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

Source: California Municipal Statistics, Inc.

County of Stanislaus
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2002	469,512	11,460,836	23,871	10.8%
2003	481,604	11,944,709	24,337	11.2%
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	13,472,415	26,954	9.9%
2006	514,370	14,076,261	27,862	8.4%
2007	521,497	14,755,527	28,985	8.5%
2008	525,903	15,977,182	31,485	10.5%
2009	526,383	15,948,738	31,248	15.3%
2010	530,584	not available	not available	16.4%
2011	517,685	not available	not available	15.1%

Sources:
(1) Stanislaus Economic Development & Workforce Alliance
(2) United States Department of Commerce
(3) State of California Employment Development Department (data shown is for the County)

County of Stanislaus
Principal Employers
Current Year and Nine Years Ago

(1) Employer	2011 Employees	2011 Rank	2011 Percentage of Total County Employment	2002 Employees	2002 Rank	2002 Percentage of Total County Employment
County of Stanislaus	3,746	1	1.77%	4,800	1	2.26%
E & J Gallo	3,181	2	1.51%	2,339	4	1.10%
Memorial Medical Center	3,051	3	1.45%	2,300	5	1.08%
Modesto City Schools	3,025	4	1.43%	3,100	2	1.46%
Seneca Foods	2,100	5	0.99%			
Doctors Medical Center	1,962	6	0.93%	2,400	3	1.13%
Kaiser Permanente	1,759	7	0.83%			
Del Monte Foods	1,700	8	0.81%			
Save Mart Supermarkets	1,661	9	0.79%			
Foster Farms	1,632	10	0.77%	2,300	6	1.08%
Modesto Junior College				1,627	7	0.77%
Signature Foods				1,300	8	0.61%
Emanuel Medical Center				1,200	9	0.57%
City of Modesto				1,188	10	0.56%
Total	23,817		11.28%	22,554		10.64%

Source: (1) Stanislaus Economic Development & Workforce Alliance

County of Stanislaus
Full-time Employees by Function
Last Ten Fiscal Years

	Full-time Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Governmental activities:										
General government	402	374	333	331	341	343	352	348	337	270
Public protection	1,342	1,301	1,317	1,368	1,378	1,441	1,486	1,464	1,418	1,228
Public ways and facilities	125	115	121	123	123	121	109	110	107	99
Health and sanitation	1,018	983	984	961	937	916	644	676	664	568
Public assistance	926	858	894	898	897	952	979	951	927	913
Education	85	89	91	92	93	94	94	88	86	71
Recreation	34	33	31	26	25	28	30	27	23	20
Total governmental activities	3,932	3,753	3,771	3,799	3,794	3,895	3,694	3,664	3,562	3,169
Business-type activities:										
Landfills	14	15	17	17	17	15	17	17	17	14
Behavioral Health	102	106	116	99	108	79	0	0	0	0
Health Clinics & Ancillary	273	256	263	243	222	217	193	229	220	186
Transit	3	3	3	3	3	3	3	3	3	3
Total business-type activities	392	380	399	362	350	314	213	249	240	203
Total Stanislaus County	4,324	4,133	4,170	4,161	4,144	4,209	3,907	3,913	3,802	3,372

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2011

GEOGRAPHICAL LOCATION :	Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.
AREA OF COUNTY :	Approximately 1,494 square miles
COUNTY SEAT :	Modesto, California
FORM OF GOVERNMENT :	General Law, County governed by five-member Board of Supervisors
DATE COUNTY FORMED :	April 1, 1854
FISCAL YEAR BEGINS :	July 1.

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts Controlled by Board of Supervisors :

County Service Areas	19		Landscape and Lighting	8
Drainage	7		Cap. Imp.	1
Lighting	28		Total	63

Number of other Special Districts :

California Water	12	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	3	Reclamation	3
Community Services	8	Hospital	3
Flood Control & Drainage	2	Irrigation	4
Fire Protection	14	Drainage	1
Emergency Medical Service	1	Lighting	1
Redevelopment Agency	10	StanCOG	1
Finance Agency	2	Total	72

County of Stanislaus
Miscellaneous Statistical Data (continued)
June 30, 2011

ELECTION NOVEMBER 2, 2010
(County Registrar of Voters)

Registered Voters:	229,057
Number Voting:	122,490
Percent Voting:	53.48%

MILES OF COUNTY-MAINTAINED ROADS 1,524
(County Department of Public Works)

CONSTRUCTION PERMITS
(County Building Department)

Calendar Year	# of Permits	Cost of Permits
2001	3,522	$1,596,172
2002	3,281	$1,703,735
2003	3,504	$2,939,814
2004	3,515	$1,326,118
2005	3,813	$4,755,706
2006	3,965	$5,637,126
2007	3,076	$2,679,003
2008	2,448	$1,926,485
2009	2,032	$1,729,597
2010	2,316	$1,420,550

Stanislaus
County
Striving to be the Best